

CHAPTER 361

HEALTH CARE POLICY AND FINANCING

HOUSE BILL 26-1235

BY REPRESENTATIVE(S) Feret, Carter, Clifford, Jackson, Nguyen, Story, Velasco;
also SENATOR(S) Daugherty, Exum, Kipp, Snyder, Coleman.

AN ACT**CONCERNING UPDATES TO THE MEDICAL ASSISTANCE PROGRAM.**

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

SECTION 1. In Colorado Revised Statutes, **add** 25.5-1-803 as follows:

25.5-1-803. Transportation provider data reporting requirements.

(1) ON OR BEFORE DECEMBER 1, 2026, AND ON OR BEFORE EACH DECEMBER 1 THEREAFTER, EACH TRANSPORTATION BROKER SHALL REPORT THE FOLLOWING INFORMATION TO THE STATE DEPARTMENT:

(a) REGARDING EACH TRANSPORTATION PROVIDER THAT THE TRANSPORTATION BROKER CONTRACTS WITH:

(I) THE TOTAL NUMBER OF RIDES REQUESTED;

(II) THE TOTAL NUMBER OF RIDES COMPLETED;

(III) THE TOTAL NUMBER OF RIDES CANCELED BY MEMBERS AND THE TRANSPORTATION PROVIDER;

(IV) THE TOTAL COST OF RIDES COMPLETED CATEGORIZED BY PROCEDURE CODE; AND

(V) THE TOTAL NUMBER OF CALLS RECEIVED FROM MEMBERS REQUESTING NONEMERGENCY MEDICAL TRANSPORTATION AND THE AVERAGE TIME A MEMBER SPENT ON HOLD;

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.

(b) THE NUMBER OF GRIEVANCES SUBMITTED BY MEMBERS REGARDING A TRANSPORTATION PROVIDER THAT WERE SUBSTANTIATED, AND THE TRANSPORTATION PROVIDER THAT THE GRIEVANCE CONCERNS; AND

(c) THE TOTAL NUMBER OF TRANSPORTATION PROVIDERS TERMINATED FROM THE TRANSPORTATION BROKER'S NETWORK, ON A CORRECTIVE ACTION PLAN, OR ON A PERFORMANCE IMPROVEMENT PLAN.

(2) BEGINNING JANUARY 1, 2027, THE STATE DEPARTMENT SHALL INCLUDE AS PART OF THE STATE DEPARTMENT'S "SMART ACT" PRESENTATION REQUIRED BY SECTION 2-7-203 THE INFORMATION SUBMITTED TO THE STATE DEPARTMENT BY THE TRANSPORTATION BROKERS AS REQUIRED BY SUBSECTION (1) OF THIS SECTION.

SECTION 2. In Colorado Revised Statutes, 25.5-4-103, **amend** (20) as follows:

25.5-4-103. Definitions.

As used in this article 4 and articles 5 and 6 of this title 25.5, unless the context otherwise requires:

(20) ~~"Qualified alien" shall have~~ "QUALIFIED NONCITIZEN" HAS the meaning ascribed to that term in section 431 (b) of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193, as amended.

SECTION 3. In Colorado Revised Statutes, **add** 25.5-4-218 as follows:

25.5-4-218. Multiple procedure payment reductions for outpatient therapy - prohibition - definitions.

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "MULTIPLE PROCEDURE PAYMENT REDUCTION" MEANS A REIMBURSEMENT METHODOLOGY THAT REDUCES PAYMENT FOR ONE OR MORE DIFFERENT SERVICES FURNISHED TO A MEMBER DURING THE SAME DATE OF SERVICE, ENCOUNTER, OR EPISODE OF CARE BASED SOLELY ON THE NUMBER, SEQUENCING, OR COMBINATION OF DIFFERENT SERVICES PERFORMED.

(b) "OUTPATIENT THERAPY SERVICES" MEANS PROFESSIONAL SERVICES PROVIDED BY AN OCCUPATIONAL THERAPIST, PHYSICAL THERAPIST, OR SPEECH LANGUAGE PATHOLOGIST IN A SETTING OTHER THAN A HOSPITAL.

(2) IF THE STATE DEPARTMENT PLANS TO IMPLEMENT, APPLY, OR ENFORCE A NEW MULTIPLE PROCEDURE PAYMENT REDUCTION FOR OUTPATIENT THERAPY SERVICES PROVIDED UNDER THE MEDICAL ASSISTANCE PROGRAM, THE STATE DEPARTMENT MUST PROVIDE NOTICE TO THE IMPACTED PROVIDERS OF THE FORTHCOMING CHANGE AT LEAST SIX MONTHS PRIOR TO IMPLEMENTING THE CHANGE TO ENSURE ADEQUATE TIME FOR PROVIDERS TO PREPARE AND HOLD AT LEAST ONE STAKEHOLDER MEETING TO DISCUSS THE IMPLEMENTATION, APPLICATION, AND ENFORCEMENT OF THE NEW MULTIPLE PROCEDURE PAYMENT REDUCTION FOR OUTPATIENT THERAPY SERVICES. THE STAKEHOLDER PROCESS MUST INCLUDE A DISCUSSION REGARDING THE METRICS THE STATE DEPARTMENT PLANS TO USE IN IMPLEMENTING THE CHANGES.

SECTION 4. In Colorado Revised Statutes, **add 25.5-4-219** as follows:

25.5-4-219. Community engagement requirements for medicaid eligibility - notice to revisor of statutes - rules - reporting - repeal.

(1) ON OR BEFORE JANUARY 1, 2027, THE STATE BOARD SHALL ADOPT RULES THAT ARE NECESSARY TO IMPLEMENT THE COMMUNITY ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT OF 1965", 42 U.S.C. SEC. 1396a(xx), AS AMENDED OR RELOCATED, IN A MANNER THAT ENSURES ALL APPLICANTS AND MEMBERS CAN OBTAIN OR MAINTAIN COVERAGE WITH THE LEAST AMOUNT OF ADMINISTRATIVE BURDENS.

(2) THE STATE BOARD'S AUTHORITY TO ADOPT RULES PURSUANT TO SUBSECTION (1) OF THIS SECTION IS REPEALED IF THE COMMUNITY ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT OF 1965", 42 U.S.C. SEC. 1396a(xx), AS AMENDED OR RELOCATED, ARE REPEALED.

(3) THE STATE BOARD SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING OF THE DATE WHEN THE CONDITION SPECIFIED IN SUBSECTION (2) OF THIS SECTION HAS OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS SECTION IS REPEALED, EFFECTIVE UPON THE DATE IDENTIFIED IN THE NOTICE, OR IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE REVISOR OF STATUTES.

(4) (a) BEGINNING MARCH 1, 2027, AND EACH MONTH THEREAFTER, THE STATE DEPARTMENT SHALL MAKE THE FOLLOWING DATA CONCERNING ENROLLMENT IN THE MEDICAL ASSISTANCE PROGRAM AVAILABLE ON THE STATE DEPARTMENT'S WEBSITE:

(I) THE NUMBER OF APPLICATIONS FOR MEDICAL ASSISTANCE THAT WERE APPROVED AND DENIED;

(II) THE NUMBER OF RENEWAL APPLICATIONS FOR MEDICAL ASSISTANCE THAT WERE APPROVED AND DENIED;

(III) THE NUMBER OF MEMBERS WHOSE MEDICAL ASSISTANCE ELIGIBILITY WAS RENEWED USING EXISTING DATA AND RECORDS WITHOUT REQUIRING THE MEMBER TO SUBMIT ADDITIONAL INFORMATION;

(IV) THE RATE OF REENROLLMENT IN THE MEDICAL ASSISTANCE PROGRAM WITHIN NINETY DAYS AFTER A MEMBER'S RENEWAL APPLICATION FOR MEDICAL ASSISTANCE WAS DENIED; AND

(V) OTHER DATA THE STATE DEPARTMENT DETERMINES IS NECESSARY TO SHARE WITH THE PUBLIC AND ANY OTHER DATA THAT MAY BE FEDERALLY REQUIRED TO COMPLY WITH THE COMMUNITY ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT OF 1965", 42 U.S.C. SEC. 1396a (xx), AS AMENDED OR RELOCATED.

(b) THE PURPOSE OF THE REPORTING REQUIREMENT SET FORTH IN THIS SUBSECTION (4) IS TO DEMONSTRATE THE IMPACTS OF THE COMMUNITY ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL SECURITY

ACT OF 1965", 42 U.S.C. SEC. 1396a (xx), AS AMENDED OR RELOCATED, ON ELIGIBILITY AND ENROLLMENT IN THE MEDICAL ASSISTANCE PROGRAM.

(c) THE STATE DEPARTMENT'S DUTY TO POST DATA ON THE STATE DEPARTMENT'S WEBSITE PURSUANT TO THIS SUBSECTION (4) IS REPEALED IF THE COMMUNITY ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT OF 1965", 42 U.S.C. SEC. 1396a (xx), AS AMENDED OR RELOCATED, ARE REPEALED.

(d) THE EXECUTIVE DIRECTOR OF THE STATE DEPARTMENT SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING OF THE DATE WHEN THE CONDITION SPECIFIED IN SUBSECTION (4)(c) OF THIS SECTION HAS OCCURRED BY EMAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS SECTION (4) IS REPEALED EFFECTIVE UPON THE DATE IDENTIFIED IN THE NOTICE, OR IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE REVISOR OF STATUTES.

SECTION 5. In Colorado Revised Statutes, 25.5-4-401.5, **amend** (1)(c)(I) as follows:

25.5-4-401.5. Review of provider rates - advisory committee - recommendations - repeal.

(1) (c) (I) The state department may propose to exclude rates from the schedule established pursuant to subsection (1)(a) of this section if those rates are adjusted OR REVIEWED on a periodic basis as a result of other state statute or federal law or regulation. The state department shall include the proposed list of exclusions with the schedule established pursuant to subsection (1)(a) of this section.

SECTION 6. In Colorado Revised Statutes, 25.5-4-505.5, **amend** (5) as follows:

25.5-4-505.5. Federal authorization related to persons involved in the criminal justice system - report - rules - legislative declaration.

(5) (a) The state department shall ~~only reimburse an opioid treatment program, as defined in section 27-80-203, for administering medication-assisted treatment~~ REIMBURSE A PROVIDER WHO IS LICENSED AND AUTHORIZED TO PRESCRIBE, DISPENSE, COMPOUND, OR ADMINISTER MEDICATION-ASSISTED TREATMENT in a jail setting. ~~At a minimum, an opioid treatment program that administers medication-assisted treatment shall:~~

~~(I) Employ a physician medical director;~~

~~(II) Ensure the individual receiving medication-assisted treatment undergoes a minimum observation period after receiving medication-assisted treatment as determined by behavioral health administration rule pursuant to section 27-80-204; and~~

~~(III) Meet all critical incident reporting requirements as determined by behavioral health administration rule pursuant to section 27-80-204.~~

(b) The state department shall ensure as part of the state department's quality oversight that ~~opioid treatment programs that~~ LICENSED PROVIDERS WHO administer medication-assisted treatment in a jail setting maintain emergency policies and procedures that address adverse outcomes.

SECTION 7. In Colorado Revised Statutes, 25.5-5-101, **repeal** (2); and **add** (1)(n) and (1)(o) as follows:

25.5-5-101. Mandatory provisions - eligible groups - rules.

(1) In order to participate in the medicaid program, the federal government requires the state to provide medical assistance to certain eligible groups. Pursuant to federal law and except as provided in subsection (2) of this section, any person who is eligible for medical assistance under the mandated groups specified in this section must receive both the mandatory services that are specified in sections 25.5-5-102 and 25.5-5-103 and the optional services that are specified in sections 25.5-5-202 and 25.5-5-203. Subject to the availability of federal financial participation, the following are the individuals or groups that are mandated under federal law to receive benefits under this article 5 and articles 4 and 6 of this title 25.5:

(n) A QUALIFIED NONCITIZEN WHO ENTERED THE UNITED STATES BEFORE AUGUST 22, 1996, SHALL RECEIVE BENEFITS UNDER THIS ARTICLE 5 AND ARTICLES 4 AND 6 OF THIS TITLE 25.5;

(o) A QUALIFIED NONCITIZEN WHO ENTERED THE UNITED STATES ON OR AFTER AUGUST 22, 1996, IS NOT ELIGIBLE FOR BENEFITS UNDER THIS ARTICLE 5 OR ARTICLE 4 OR 6 OF THIS TITLE 25.5 FOR FIVE YEARS AFTER THE DATE OF ENTRY IN THE UNITED STATES; EXCEPT THAT THE STATE DEPARTMENT MAY PROVIDE BENEFITS UNDER THIS ARTICLE 5 AND ARTICLES 4 AND 6 OF THIS TITLE 25.5 TO A PREGNANT PERSON WHO IS A QUALIFIED ALIEN NONCITIZEN AND A CHILD UNDER NINETEEN YEARS OLD WHO IS A QUALIFIED NONCITIZEN, SO LONG AS THE PREGNANT PERSON OR CHILD MEETS ELIGIBILITY CRITERIA OTHER THAN CITIZENSHIP. COVERAGE OF INDIVIDUALS IN THIS GROUP IS SUBJECT TO THE RECEIPT OF FEDERAL FINANCIAL PARTICIPATION, UNLESS STATE FUNDS ARE SPECIFICALLY APPROPRIATED FOR COVERAGE OF GROUPS FOR WHOM FEDERAL FINANCIAL PARTICIPATION IS UNAVAILABLE.

(2) (a) ~~A qualified alien who entered the United States before August 22, 1996, who meets the exceptions described in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193, as amended, shall receive benefits under this article and articles 4 and 6 of this title.~~

(b) (i) ~~A qualified alien who entered the United States on or after August 22, 1996, shall not be eligible for benefits under this article or article 4 or 6 of this title, except as provided in section 25.5-5-103 (3), for five years after the date of entry into the United States unless he or she meets the exceptions described in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193, as amended.~~

(ii) ~~Notwithstanding the five-year waiting period established in subparagraph (i) of this paragraph (b), but subject to the availability of sufficient appropriations and~~

~~the receipt of federal financial participation, the state department may provide benefits under this article and articles 4 and 6 of this title to a pregnant woman who is a qualified alien and a child under nineteen years of age who is a qualified alien so long as such woman or child meets eligibility criteria other than citizenship.~~

SECTION 8. In Colorado Revised Statutes, 25.5-5-201, **amend** (1)(j) and (1)(k); and **repeal** (2) as follows:

25.5-5-201. Optional provisions - optional groups - rules.

(1) The federal government allows the state to select optional groups to receive medical assistance. Pursuant to federal law, any person who is eligible for medical assistance under the optional groups specified in this section must receive both the mandatory services specified in sections 25.5-5-102 and 25.5-5-103 and the optional services specified in sections 25.5-5-202 and 25.5-5-203. Subject to the availability of federal financial aid funds, the following are the individuals or groups that Colorado has selected as optional groups to receive medical assistance pursuant to this article 5 and articles 4 and 6 of this title 25.5:

(j) Individuals who are qualified ~~aliens~~ NONCITIZENS and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;

(k) Other qualified ~~aliens~~ NONCITIZENS who entered or were present in the United States before August 22, 1996;

~~(2) (a) A qualified alien, who entered the United States on or after August 22, 1996, shall not be eligible for benefits under this article and articles 4 and 6 of this title, except as provided in section 25.5-5-103 (3), for five years after the date of entry into the United States unless he or she meets the exceptions described in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193, as amended. After five years, such qualified alien shall be eligible for benefits under this article and articles 4 and 6 of this title but shall have sponsor income and resources deemed to the individual or family under rules established by the state board of human services pursuant to section 26-2-137, C.R.S.~~

~~(b) Notwithstanding the five-year waiting period established in paragraph (a) of this subsection (2), but subject to the availability of sufficient appropriations and the receipt of federal financial participation, the state department may provide benefits under this article and articles 4 and 6 of this title to a pregnant woman who is a qualified alien and a child under nineteen years of age who is a qualified alien so long as such woman or child meets eligibility criteria other than citizenship.~~

SECTION 9. In Colorado Revised Statutes, **add** 25.5-6-120 as follows:

25.5-6-120. Home- and community-based service provider agencies - disclosure of direct care service cost ratio to administrative cost ratio - definition.

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "DIRECT CARE SERVICE COST TO ADMINISTRATIVE COST RATIO" MEANS THE PERCENTAGE OF MEDICAID SERVICES REVENUE THAT A HOME- AND COMMUNITY-BASED SERVICE PROVIDER AGENCY THAT RENDERS BASE WAGE QUALIFYING SERVICES SPENDS ON DIRECT CARE WORKFORCE COMPENSATION AND DIRECT CARE SERVICE RELATED TRAINING AND SUPPORTS AS COMPARED TO ADMINISTRATIVE AND GENERAL EXPENSES.

(2) (a) THE STATE DEPARTMENT SHALL COLLECT THE FOLLOWING INFORMATION FROM EACH HOME- AND COMMUNITY-BASED SERVICE PROVIDER AGENCY THAT SERVES MORE THAN THIRTY MEMBERS AND IS SUBJECT TO THE BASE WAGE REQUIREMENTS SET BY THE STATE DEPARTMENT IN RULE, AND MAY COLLECT THE FOLLOWING INFORMATION FROM A HOME- AND COMMUNITY-BASED SERVICE PROVIDER AGENCY THAT SERVES THIRTY OR FEWER MEMBERS:

(I) THE TOTAL MEDICAL ASSISTANCE PROGRAM REIMBURSEMENT AND VOLUME DATA FOR HOME- AND COMMUNITY-BASED SERVICES THAT ARE SUBJECT TO THE BASE WAGE REQUIREMENTS, SORTED BY SERVICE CODES AND SUBMITTED SEPARATELY FOR EMPLOYEES AND INDEPENDENT CONTRACTORS;

(II) DIRECT WAGES AND CASH COMPENSATION, WHICH ARE LIMITED TO WAGES, OVERTIME PAY, BONUSES, AND OTHER DIRECT MONETARY COMPENSATION PAID TO DIRECT CARE WORKERS;

(III) PAID LEAVE AND EMPLOYEE BENEFITS, WHICH ARE LIMITED TO PAID LEAVE, HEALTH INSURANCE, RETIREMENT CONTRIBUTIONS, AND OTHER INSURANCE BENEFITS, WELLNESS SUPPORT, TRANSPORTATION BENEFITS, AND OTHER MONETARY OR NON-MONETARY EMPLOYMENT BENEFITS;

(IV) EMPLOYER PAYROLL TAXES AND STATUTORY EMPLOYMENT COSTS, WHICH ARE LIMITED TO EMPLOYER PAYROLL TAXES, STATE UNEMPLOYMENT INSURANCE CONTRIBUTIONS, AND FEDERAL UNEMPLOYMENT INSURANCE CONTRIBUTIONS;

(V) WORKFORCE RECRUITMENT, RETENTION, AND INCENTIVE SUPPORTS, WHICH ARE LIMITED TO STIPENDS, REIMBURSEMENTS, ALLOWANCES, INCENTIVE PROGRAMS, AND OTHER BENEFITS DESIGNED TO RECRUIT, RETAIN AND SUPPORT THE WELL-BEING OF DIRECT CARE WORKERS;

(VI) WORKFORCE SUPERVISION, TRAINING AND OPERATIONAL SUPPORT, WHICH ARE LIMITED TO COSTS RELATED TO SUPERVISING DIRECT CARE WORKERS, PROVIDING TRAINING, AND MAINTAINING WORKFORCE SUPPORT SERVICES NECESSARY FOR SAFE SERVICE DELIVERY AND REGULATORY COMPLIANCE;

(VII) OPERATIONAL AND COMPLIANCE COSTS TIED TO EMPLOYMENT OF DIRECT CARE WORKERS, WHICH ARE LIMITED TO EMPLOYER EXPENSES NECESSARY TO RECRUIT, EMPLOY, SUPERVISE, SUPPORT, AND RETAIN DIRECT CARE WORKERS, INCLUDING OPERATIONAL COSTS REQUIRED TO SAFELY DELIVER MEDICAL ASSISTANCE SERVICES AND COMPLY WITH MEDICAL ASSISTANCE PROGRAM REQUIREMENTS; AND

(VIII) EXISTING BASE WAGE REPORTING AND ATTESTATION DOCUMENTATION VERIFYING THAT DIRECT CARE WORKER WAGES MEET THE STATE BASE WAGE REQUIREMENTS.

(b) A HOME- AND COMMUNITY-BASED SERVICE PROVIDER AGENCY SHALL SUBMIT TO THE STATE DEPARTMENT ITS DIRECT CARE SERVICE COST TO ADMINISTRATIVE COST RATIO AND THE INFORMATION REQUIRED PURSUANT TO THIS SUBSECTION (2) NO LATER THAN SEPTEMBER 30, 2027.

(3) THE STATE DEPARTMENT SHALL SUBMIT A REPORT DETAILING THE INFORMATION COLLECTED PURSUANT TO SUBSECTION (2) OF THIS SECTION TO THE HOUSE OF REPRESENTATIVES AND SENATE HEALTH AND HUMAN SERVICES COMMITTEES AND THE JOINT BUDGET COMMITTEE, OR ANY SUCCESSOR COMMITTEES, NO LATER THAN DECEMBER 31, 2027.

(4) THE DATA COLLECTED AND PUBLISHED PURSUANT TO THIS SECTION MUST BE USED SOLELY FOR LEGISLATIVE INFORMATIONAL PURPOSES AND IS NOT SUBJECT TO DISCLOSURE UNDER THE "COLORADO OPEN RECORDS ACT," PART 2 OF ARTICLE 72 OF TITLE 24.

SECTION 10. In Colorado Revised Statutes, **repeal 25.5-4-203.**

SECTION 11. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 3, 2026