

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

ENGROSSED

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

LLS NO. 25-0820.01 Chelsea Princell x4335

HOUSE BILL 25-1213

HOUSE SPONSORSHIP

Feret and Weinberg,

SENATE SPONSORSHIP

Daugherty and Ball,

House Committees

Health & Human Services
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CHANGES TO THE MEDICAL ASSISTANCE PROGRAM.**

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 exempts an assisted living residence with fewer than 19 beds that has not undergone new construction or renovations and that complies with the standards for assisted living residences from complying with facility guidelines adopted by the state board of health.

The bill requires the department of health care policy and financing (state department) to follow the standards set by the federal centers for medicare and medicaid when updating rules.

The state department must establish a process for reviewing and

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
March 25, 2025

updating the general billing manual on an annual basis and ensure that the general billing manual includes all necessary CPT codes.

Beginning January 1, 2026, for claims that must be reprocessed as a result of updating the provider rates, the bill requires a managed care organization to issue payment to a contracted provider within one year after the provider rate is updated.

The bill requires the state department to include in each new contract with, or renewal of a contract with, a managed care entity (MCE) a provision requiring the MCE to submit to the state department, on an annual basis, the amount the MCE is paid and the MCE's medical loss ratio. The state department is required to publish this information on the state department's website on an annual basis.

The bill prohibits the state department from imposing signature requirements on a physician or practitioner certifying a medicaid member's (member) plan of care that involves physical therapy or occupational therapy.

The bill prevents a member receiving home- and community-based services from losing the services the member currently receives if the member's disability and need for services have not changed in the preceding 3 years.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-27-104, **add** (3)
3 as follows:

4 **25-27-104. Minimum standards for assisted living residences**

5 **- rules - definition.** (3) (a) RULES ADOPTED BY THE STATE BOARD
6 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST EXEMPT AN
7 ASSISTED LIVING RESIDENCE WITH FEWER THAN NINETEEN BEDS FROM
8 COMPLYING WITH THE FACILITY GUIDELINE INSTITUTE (FGI) GUIDELINES,
9 EXCEPT IN THE CASE OF NEW CONSTRUCTION OR MAJOR RENOVATIONS. AN
10 ASSISTED LIVING RESIDENCE WITH FEWER THAN NINETEEN BEDS MUST
11 STILL COMPLY WITH ALL OTHER FIRE AND LOCAL BUILDING CODES AND THE
12 STANDARDS OUTLINED IN THIS SECTION.

13 (b) FOR PURPOSES OF SUBSECTION (3)(a) OF THIS SECTION, "MAJOR
14 RENOVATIONS" MEANS ADDITIONS TO A BUILDING'S STRUCTURE OR

1 CHANGES THAT AFFECT THE STRUCTURAL INTEGRITY OF THE BUILDING.
2 MAJOR RENOVATIONS DO NOT INCLUDE CHANGING THE FUNCTIONAL
3 OPERATION OF A SPACE IF NO CONSTRUCTION IS COMPLETED AND THE
4 FLOOR PLAN OF THE BUILDING REMAINS THE SAME. IT ALSO DOES NOT
5 INCLUDE ADDING BEDS TO ACCOMMODATE MORE RESIDENTS OR UPGRADES
6 TO THE HEATING OR COOLING SYSTEMS AND ELECTRICAL SYSTEMS IF
7 THOSE IMPROVEMENTS DO NOT REQUIRE CONSTRUCTION.

8 **SECTION 2.** In Colorado Revised Statutes, **add** 25.5-1-135 as
9 follows:

10 **25.5-1-135. Billing manual.** USING EXISTING RESOURCES
11 ALLOCATED FOR BILLING MANUAL REVIEWS, THE STATE DEPARTMENT
12 SHALL ESTABLISH A PROCESS TO REVIEW AND UPDATE THE GENERAL
13 BILLING MANUAL ON AN ANNUAL BASIS, WHICH MUST ENSURE THAT THE
14 GENERAL BILLING MANUAL INCLUDES ALL NECESSARY CPT CODES, OR
15 PROVIDES LINKS TO THE STATE DEPARTMENT'S LIST OF CPT CODES.

16

17 **SECTION 3.** In Colorado Revised Statutes, 25.5-5-402, **add** (7.3)
18 as follows:

19 **25.5-5-402. Statewide managed care system - rules -**
20 **definitions.** (7.3) (a) BEGINNING JANUARY 1, 2026, FOR A CLAIM THAT
21 MUST BE REPROCESSED AS A RESULT OF UPDATING THE PROVIDER RATES,
22 AN MCO SHALL ISSUE PAYMENT TO THE CONTRACTED PROVIDER WITHIN
23 ONE YEAR AFTER THE PROVIDER RATE IS UPDATED.

24 (b) THE STATE DEPARTMENT SHALL NOTIFY THE MCOs OF ANY
25 CHANGE TO THE PROVIDER RATES WITHIN SIXTY DAYS OF CHANGING THE
26 PROVIDER RATES.

27 **SECTION 4.** In Colorado Revised Statutes, **add** 25.5-5-427 as

1 follows:

2 **25.5-5-427. Managed care entities - disclosure of payment and**
3 **medical loss ratio - definition.** (1) THE STATE DEPARTMENT SHALL
4 INCLUDE IN EACH NEW CONTRACT WITH, OR RENEWAL OF A CONTRACT
5 WITH, AN MCE A PROVISION REQUIRING THE MCE TO SUBMIT TO THE
6 STATE DEPARTMENT, ON AN ANNUAL BASIS, THE AMOUNT THE MCE IS
7 PAID FOR DELIVERING SERVICES AND THE MCE'S MEDICAL LOSS RATIO.

8 (2) THE STATE DEPARTMENT SHALL ANNUALLY PUBLISH THE
9 FOLLOWING INFORMATION ON ITS WEBSITE:

10 (a) THE INFORMATION RECEIVED PURSUANT TO SUBSECTION (1) OF
11 THIS SECTION;

12 (b) HISTORICAL MEDIAL LOSS RATIO DATA FOR EACH MCE; AND

13 (c) AUDIT FINDINGS REGARDING AN MCE'S MOST RECENTLY
14 COMPLETED MEDICAL LOSS RATIO AUDIT.

15 (3) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, "MEDICAL
16 LOSS RATIO" MEANS THE PERCENTAGE OF PREMIUM REVENUE THAT THE
17 MCE SPENDS ON HEALTH-CARE SERVICES AND QUALITY IMPROVEMENT
18 ACTIVITIES.

19 **SECTION 5.** In Colorado Revised Statutes, **add** 25.5-6-117 as
20 follows:

21 **25.5-6-117. Plan of care - rehabilitation therapy -**
22 **requirements - definition.** (1) AS USED IN THE SECTION, UNLESS THE
23 CONTEXT OTHERWISE REQUIRES, "PLAN OF CARE" HAS THE SAME MEANING
24 AS SET FORTH IN SECTION 25.5-6-403.

25 (2) THE STATE DEPARTMENT SHALL NOT IMPOSE SIGNATURE
26 REQUIREMENTS BEYOND WHAT IS REQUIRED BY THE FEDERAL CENTERS FOR
27 MEDICARE AND MEDICAID SERVICES PURSUANT TO 42 CFR 409.43 ON A

1 PHYSICIAN OR PRACTITIONER CERTIFYING A MEMBER'S PLAN OF CARE THAT
2 INVOLVES PHYSICAL THERAPY, OCCUPATIONAL THERAPY, OR SPEECH
3 THERAPY SERVICES.

4 **SECTION 6.** In Colorado Revised Statutes, **add** 25.5-6-118 as
5 follows:

6 **25.5-6-118. Long-term care for members with permanent**
7 **disability.** (1) FOR A MEMBER RECEIVING SERVICES THROUGH A
8 LONG-TERM CARE PROGRAM PURSUANT TO PARTS 3 TO 10 OF THIS ARTICLE
9 6, IF A SERVICE THE MEMBER RECEIVES IS DISCONTINUED OR IS NO LONGER
10 A COVERED SERVICE, THE STATE DEPARTMENT MUST CONFIRM THE
11 TIMELINE FOR CONTINUITY OF TREATMENT WITH THE FEDERAL CENTERS
12 FOR MEDICARE AND MEDICAID DURING THE TRANSITION PERIOD OF THE
13 BENEFIT OR SERVICE BEING DISCONTINUED. UPON CONFIRMATION, THE
14 STATE DEPARTMENT SHALL COMMUNICATE THE TIMELINE TO THE MEMBER
15 IMPACTED BY THE BENEFIT OR SERVICE BEING DISCONTINUED.

16 (2) THIS SECTION APPLIES TO MEMBERS WHO ARE FUNCTIONALLY
17 AND FINANCIALLY ELIGIBLE TO RECEIVE LONG-TERM CARE SERVICES
18 PURSUANT TO PARTS 3 TO 10 OF THIS ARTICLE 6.

19 **SECTION 7.** In Colorado Revised Statutes, 25.5-6-2001, **amend**
20 (2)(a), (2)(c)(II), (2)(c)(III), (3)(a), and (7)(b) as follows:

21 **25.5-6-2001. System of care for children and youth - federal**
22 **authorization - leadership and implementation team - report - rules**
23 **- definition.** (2) (a) No later than November 1, 2024, the state department
24 shall convene a leadership team that is responsible for ~~the~~
25 ~~decision-making and oversight~~ ADVISING AND REVIEWING THE
26 DEVELOPMENT AND OPERATION of the system of care for children and
27 youth who have complex behavioral health needs.

1 (c) The leadership team has the following duties and
2 responsibilities:

3 (II) To ~~oversee and advise~~ REVIEW AND ADVISE ON the strategic
4 direction of the development of the system of care; and

5 (III) To ~~provide fiscal oversight of the state department's~~
6 ~~development and oversight of the system of care~~ REVIEW AND COMMENT
7 ON THE STATE DEPARTMENT'S FISCAL DEVELOPMENT AND OVERSIGHT OF
8 THE SYSTEM OF CARE.

9 (3) (a) No later than October 1, 2024, the state department shall
10 convene an implementation team that shall create a plan UTILIZING THE
11 RECOMMENDATIONS FROM THE LEADERSHIP TEAM, AS APPROPRIATE, to
12 implement the system of care for children and youth who have complex
13 behavioral health needs.

14 (7) (b) Beginning January 2025, and each quarter thereafter, the
15 state department shall report progress on the development and
16 implementation of the system of care developed pursuant to this section
17 to the joint budget committee, THE IMPLEMENTATION TEAM, THE
18 LEADERSHIP TEAM, THE SENATE HEALTH AND HUMAN SERVICES
19 COMMITTEE, AND THE HOUSE OF REPRESENTATIVES HEALTH AND HUMAN
20 SERVICES COMMITTEE. THE REPORT REQUIRED BY THIS SUBSECTION (7)(b)
21 MUST INCLUDE THE RATIONALE FOR ANY RECOMMENDATION FROM THE
22 LEADERSHIP TEAM THAT THE DEPARTMENT ELECTS NOT TO IMPLEMENT.

23 **SECTION 8. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly; except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take
2 effect unless approved by the people at the general election to be held in
3 November 2026 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.