

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0470.01 Jerry Barry

HOUSE BILL 10-1053

HOUSE SPONSORSHIP

Riesberg, Kefalas

SENATE SPONSORSHIP

Boyd,

House Committees
Health and Human Services

Senate Committees

A BILL FOR AN ACT

101 CONCERNING COMMUNITY LONG-TERM CARE SAVINGS.

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://www.leg.state.co.us/billsummaries>.)

Subject to the receipt of sufficient moneys through gifts, grants, or donations, the bill directs the department of health care policy and financing (department) to contract for a study of medicaid recipients who receive services under a home- and community-based waiver to evaluate whether cost savings can be realized from changes to reimbursement methods for alternative care facilities. The department will make necessary data available to the contractor.

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

If the study concludes that savings can be realized, the department will recommend to the joint budget committee (JBC), and the JBC may authorize, that the department implement a pilot program based upon the study. The department will report annually to the JBC on any savings realized as a result of the pilot program. If the JBC determines that the pilot program results in savings without adversely affecting the services provided, the JBC may direct the department to implement the changes to all medicaid recipients under the home- and community-based waivers.

The bill makes a legislative declaration.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The state demographer office in the department of local affairs
5 estimates that between 2005 and 2015, the portion of Colorado's
6 population that is over sixty-five years of age will increase by more than
7 twenty-three percent;

8 (b) This drastic increase in the population that is over sixty-five
9 years of age is driven by the aging "baby boomer" generation and will
10 result in a parallel increase in a demand for community long-term care
11 services;

12 (c) Older adults and their families need quality health care
13 coverage and choice and flexibility in accessing community long-term
14 care services that support their independence and ability to live in the
15 least restrictive environment;

16 (d) Coloradans deserve to have access to the proper level of health
17 care;

18 (e) The state needs a long-term care delivery system that addresses
19 the needs of older adults and their families, and health care coverage and
20 coordination should not be fragmented or difficult to access but instead

1 should be integrated to meet the needs of older adults and families;

2 (f) A community long-term care system needs to provide
3 maximum service delivery and make efficient use of available public
4 funds;

5 (g) Home- and community-based services can be a less costly
6 alternative to institutional placement;

7 (h) In 2005, the general assembly passed Senate Bill 05-173,
8 concerning long-term care services under the "Colorado Medical
9 Assistance Act", in which a long-term care advisory committee, referred
10 to in this section as the "LTC advisory committee", was appointed. The
11 LTC advisory committee submitted a report to the joint budget committee
12 and the health and human services committees of the Senate and House
13 of Representatives with eighteen recommendations to improve the
14 long-term care delivery system in Colorado, including changing the rate
15 structure for alternate care facilities in Colorado, referred to in this
16 section as "ACFs".

17 (i) One of the recommendations from the LTC advisory committee
18 was to implement a tiered system of care for alternative living residences;

19 (j) A pilot program that evaluates, financially models, and then
20 implements a tiered-rate payment system for ACFs to care for seniors
21 could result in Coloradans not being discharged to nursing homes
22 prematurely because of incontinence, Alzheimer's disease, or dementia;

23 (k) The department of health care policy and financing should
24 conduct a study of past or current home- and community-based clients
25 who could potentially benefit from ACF tiered rates with the
26 understanding that if the study evaluating the system shows cost
27 containment through proper utilization controls, the state would then

1 conduct a pilot program of no more than two hundred individuals within
2 the home- and community-based medicaid waivers, evaluate the pilot
3 program and, if savings are realized, implement the program statewide
4 within the home- and community-based medicaid waivers.

5 (2) The general assembly further supports efforts of community
6 organizations to facilitate a coalition of business leaders and allied
7 advocacy and trade organizations, as well as stakeholders, similar to those
8 included in the LTC advisory committee. This support includes asking
9 for technical assistance to bring together stakeholders to outline a
10 three-year plan to reconstitute the LTC advisory committee and make
11 recommendations through legislation and rule for the implementation of
12 the LTC advisory committee's recommendations.

13 **SECTION 2.** Part 1 of article 6 of title 25.5, Colorado Revised
14 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
15 read:

16 **25.5-6-108.5. Community long-term care study - pilot**
17 **program - statewide program - report.** (1) (a) SUBJECT TO THE
18 RECEIPT OF SUFFICIENT MONEYS PURSUANT TO PARAGRAPH (b) OF THIS
19 SUBSECTION (1), THE STATE DEPARTMENT SHALL CONTRACT FOR A STUDY
20 OF THE POPULATION OF RECIPIENTS RECEIVING SERVICES UNDER THE
21 HOME- AND COMMUNITY-BASED WAIVERS AUTHORIZED PURSUANT TO THIS
22 ARTICLE. THE STATE DEPARTMENT SHALL MAKE NECESSARY DATA
23 AVAILABLE TO THE CONTRACTOR. IN SELECTING A CONTRACTOR TO
24 PERFORM THE STUDY, THE STATE DEPARTMENT IS NOT REQUIRED TO
25 FOLLOW THE COMPETITIVE BIDDING REQUIREMENTS OF THE
26 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S. THE
27 STUDY SHALL INCLUDE RESEARCH AND ANALYSIS OF:

1 (I) THE NUMBER OF RECIPIENTS WITH INCONTINENCE, ALZHEIMER'S
2 DISEASE, OR DEMENTIA WHO WOULD BENEFIT FROM RECEIVING
3 ADDITIONAL SERVICES THROUGH AN ALTERNATIVE CARE FACILITY
4 THEREBY AVOIDING NURSING HOME PLACEMENT;

5 (II) THE ACTUARIALLY SOUND RATE FOR PROVIDING SERVICES FOR
6 THE RECIPIENTS AT AN ALTERNATIVE CARE FACILITY;

7 (III) THE AMOUNT OF SAVINGS ASSOCIATED WITH PROVIDING
8 SERVICES AT AN ALTERNATIVE CARE FACILITY;

9 (IV) RECOMMENDATIONS FOR UTILIZATION OR PROGRAM
10 CONTROLS FOR A PILOT PROGRAM TO PROVIDE SERVICES AT AN
11 ALTERNATIVE CARE FACILITY; AND

12 (V) OTHER STATES' EXPERIENCES WITH TIERED RATES FOR
13 ALTERNATIVE CARE FACILITIES, INCLUDING COST SAVINGS OR COST
14 AVOIDANCE.

15 (b) THE STATE DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT
16 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR
17 THE PURPOSES OF THIS SUBSECTION (1); EXCEPT THAT THE STATE
18 DEPARTMENT MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS
19 SUBJECT TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SUBSECTION
20 (1) OR ANY OTHER LAW OF THE STATE. THE STATE DEPARTMENT SHALL
21 TRANSMIT ALL PRIVATE AND PUBLIC MONEYS RECEIVED THROUGH GIFTS,
22 GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT
23 THE SAME TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
24 CASH FUND CREATED IN SECTION 25.5-1-109.

25 (2) IF THE STUDY CONDUCTED PURSUANT TO SUBSECTION (1) OF
26 THIS SECTION CONCLUDES THAT CREATING A TIERED SYSTEM OF
27 REIMBURSEMENT FOR ALTERNATIVE CARE FACILITIES WOULD RESULT IN

1 COST SAVINGS, THE STATE DEPARTMENT SHALL RECOMMEND TO THE JOINT
2 BUDGET COMMITTEE THAT A TWO-YEAR PILOT PROGRAM, INCLUDING NOT
3 MORE THAN TWO HUNDRED RECIPIENTS UNDER HOME- AND
4 COMMUNITY-BASED WAIVERS BE IMPLEMENTED. THE JOINT BUDGET
5 COMMITTEE MAY AUTHORIZE THE STATE DEPARTMENT TO SEEK ANY
6 NECESSARY FEDERAL AUTHORIZATIONS AND TO IMPLEMENT THE PILOT
7 PROGRAM. THE STATE DEPARTMENT SHALL REPORT TO THE JOINT BUDGET
8 COMMITTEE ANNUALLY CONCERNING THE AMOUNT OF ANY SAVINGS
9 REALIZED FROM THE PILOT PROGRAM.

10 (3) IF THE JOINT BUDGET COMMITTEE DETERMINES THAT THE
11 CHANGES IMPLEMENTED AS A PILOT PROGRAM AUTHORIZED PURSUANT TO
12 SUBSECTION (2) OF THIS SECTION RESULT IN LOWER EXPENDITURES UNDER
13 THIS ARTICLE, WITHOUT ADVERSELY AFFECTING THE CARE PROVIDED, THE
14 JOINT BUDGET COMMITTEE MAY AUTHORIZE THE STATE DEPARTMENT TO
15 IMPLEMENT THE PILOT PROGRAM TO ALL RECIPIENTS WITHIN THE STATE
16 UNDER THE HOME- AND COMMUNITY-BASED WAIVERS.

17 **SECTION 3. Act subject to petition - effective date.** This act
18 shall take effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part shall not take effect
24 unless approved by the people at the general election to be held in
25 November 2010 and shall take effect on the date of the official
26 declaration of the vote thereon by the governor.