Second Regular Session Sixty-seventh General Assembly STATE OF COLORADO

CORRECTED REVISED

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

LLS NO. 10-0470.01 Jerry Barry

HOUSE BILL 10-1053

HOUSE SPONSORSHIP

Riesberg, Kefalas

SENATE SPONSORSHIP

Boyd,

House Committees

Health and Human Services Appropriations

Senate Committees

Health and Human Services Appropriations

A BILL FOR AN ACT

101 CONCERNING COMMUNITY LONG-TERM CARE SAVINGS, AND MAKING

102 AN APPROPRIATION THEREFOR.

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

SENATE Am ended 2nd Reading April27, 2010

HOUSE 3rd Reading Unam ended March 3, 2010

> HOUSE ended 2nd Reading March 2, 2010

methods for alternative care facilities. The department will make necessary data available to the contractor.

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 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) The state demographer in the department of local affairs
9	estimates that between 2007 and 2035, the portion of Colorado's
10	population that is over sixty years of age will double;
11	(c) This drastic increase in the older adult population is driven by
12	the aging "baby boomer" generation and will result in a parallel increase
13	in a demand for community long-term care services;
14	(d) Older adults and their families need quality health care
15	coverage and choice and flexibility in accessing in-home community
16	long-term care services that support their independence and ability to live
17	in the least restrictive environment;
18	(e) Coloradans deserve to have access to appropriate long-term

care services and supports and the proper level of health care;

19

-2-1053

(f) The state needs a long-term care delivery system that addresses
the needs of older adults and their families, and health care coverage and
coordination should not be fragmented or difficult to access but instead
should be integrated to meet the needs of older adults and families;
(g) A community long-term care system needs to provide
maximum service delivery and make efficient use of available public
funds;
(h) Home- and community-based services can be a less costly
alternative to institutional placement;
(i) In 2005, the general assembly passed Senate Bill 05-173
concerning long-term care services under the "Colorado Medica
Assistance Act", in which a long-term care advisory committee, referred
to in this section as the "LTC advisory committee", was appointed. The
LTC advisory committee submitted a report to the joint budget committee
and the health and human services committees of the Senate and House
of Representatives with eighteen recommendations to improve the
long-term care delivery system in Colorado, including changing the rate
structure for alternative care facilities in Colorado, referred to in this
section as "ACFs".
(J) One of the recommendations from the LTC advisory
committee was to implement a tiered system of care for alternative care
residences;
(k) A pilot program that evaluates, financially models, and then
implements a tiered-rate payment system for ACFs to care for seniors
could result in Coloradans not being discharged to nursing homes
prematurely because of incontinence, Alzheimer's disease, or dementia

(l) The department of health care policy and financing should

-3-

conduct one or more studies of community-based services to reduce the overall state costs through the use of home- and community-based services, including a study of past or current home- and community-based clients who could potentially benefit from ACF tiered rates. If a study evaluating the system shows cost containment through proper utilization controls, the state would then implement the program statewide within the home- and community-based medicaid waivers.

- (m) In 2000, the general assembly passed Senate Bill 00-1072, creating the older Coloradans program, which provides moneys to area agencies on aging to award grants for community-based services to persons sixty years of age or older to enable such persons to live in their own homes and communities for as long as possible;
- (n) The department of human services should conduct a study of persons sixty years of age or older who could potentially benefit from older Coloradans program services with the understanding that, if the study evaluating the program shows cost savings through the provision of community-based services, the state would then develop a long-term strategic <u>implementation</u> plan for providing services through the older Coloradans program.
- (2) The general assembly further supports the efforts of community organizations to facilitate a coalition of business leaders and allied advocacy and trade organizations, as well as stakeholders, similar to those included in the LTC advisory committee. This support includes asking for technical assistance to bring together stakeholders to outline a three-year plan to reconstitute the LTC advisory committee and make recommendations through legislation and rule for the implementation of the LTC advisory committee's recommendations.

-4- 1053

1	SECTION 2. Part 1 of article 6 of title 25.5, Colorado Revised
2	Statutes, is amended BY THE ADDITION OF A NEW SECTION to
3	read:
4	25.5-6-108.5. Community long-term care studies - authority
5	to implement - alternative care facility report. (1) (a) S UBJECT TO THE
6	RECEIPT OF SUFFICIENT MONEYS PURSUANT TO PARAGRAPH (b) OF THIS
7	SUBSECTION (1), THE STATE DEPARTMENT SHALL CONTRACT FOR ONE OR
8	MORE STUDIES OF THE POPULATION OF RECIPIENTS RECEIVING SERVICES
9	UNDER THE HOME- AND COMMUNITY-BASED WAIVERS AUTHORIZED
10	PURSUANT TO THIS ARTICLE. THE STATE DEPARTMENT SHALL MAKE
11	NECESSARY DATA AVAILABLE TO THE CONTRACTOR, INCLUDING BUT NOT
12	LIMITED TO DATA ON ACTIVITIES OF DAILY LIVING. IN SELECTING A
13	CONTRACTOR TO PERFORM ANY STUDY CONDUCTED PURSUANT TO THIS
14	SUBSECTION (1), THE STATE DEPARTMENT IS NOT REQUIRED TO FOLLOW
15	THE COMPETITIVE BIDDING REQUIREMENTS OF THE "PROCUREMENT
16	Code", articles 101 to 112 of title 24, C.R.S. The state
17	DEPARTMENT SHALL PROVIDE COPIES OF <u>ALL STUDIES</u> CONDUCTED
18	PURSUANT TO THIS SUBSECTION (1) TO MEMBERS OF THE HEALTH AND
19	HUMAN SERVICES COMMITTEES OF THE GENERAL ASSEMBLY, OR ANY
20	SUCCESSOR COMMITTEES, AND TO THE MEMBERS OF THE JOINT BUDGET
21	COMMITTEE.
22	(b) If a study conducted pursuant to this subsection (1)
23	CONCLUDES THAT A PROGRAM OF HOME- AND COMMUNITY-BASED
24	SERVICES WOULD RESULT IN COST SAVINGS, THE STATE DEPARTMENT
25	SEEK ANY NECESSARY FEDERAL AUTHORIZATION TO IMPLEMENT
26	THE PROGRAM. IF FEDERAL AUTHORIZATION TO IMPLEMENT THE PROGRAM
27	IS OBTAINED THE STATE DEDADTMENT SHALL DEOLIEST THROUGH THE

-5- 1053

1	STATE BUDGET PROCESS, THAT THE PROGRAM BE IMPLEMENTED. THE
2	STATE DEPARTMENT SHALL REPORT TO THE JOINT BUDGET COMMITTEE
3	ANNUALLY CONCERNING THE AMOUNT OF ANY SAVINGS REALIZED FROM
4	THE PROGRAM.
5	(c) THE STATE DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT
6	GIFTS, GRANTS, OR DONATIONS FROM PRIVATE AND PUBLIC SOURCES FOR
7	THE PURPOSES OF THIS SUBSECTION (1); EXCEPT THAT THE STATE
8	DEPARTMENT MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS
9	SUBJECT TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SUBSECTION
10	(1) OR ANY OTHER LAW OF THE STATE. THE STATE DEPARTMENT SHALL
11	TRANSMIT ALL PRIVATE AND PUBLIC MONEYS RECEIVED THROUGH GIFTS,
12	GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT
13	THE SAME TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
14	CASH FUND CREATED IN SECTION 25.5-1-109.
15	(2) (a) Subject to the receipt of sufficient moneys, one of
16	THE STUDIES CONTRACTED FOR PURSUANT TO SUBSECTION (1) OF THIS
17	SECTION SHALL INCLUDE RESEARCH AND ANALYSIS OF:
18	(I) THE NUMBER OF RECIPIENTS WITH INCONTINENCE, ALZHEIMER'S
19	DISEASE, DEMENTIA, OR OTHER DIAGNOSES OF A CHRONIC INCAPACITATING
20	CONDITION THAT SEVERELY LIMIT THEIR ACTIVITIES OF DAILY LIVING WHO
21	WOULD BENEFIT FROM RECEIVING ADDITIONAL SERVICES THROUGH AN
22	ALTERNATIVE CARE FACILITY THEREBY AVOIDING NURSING HOME
23	PLACEMENT;
24	(II) THE ACTUARIALLY SOUND RATE FOR PROVIDING SERVICES FOR
25	THE RECIPIENTS AT AN ALTERNATIVE CARE FACILITY;
26	(III) THE AMOUNT OF SAVINGS ASSOCIATED WITH PROVIDING
27	SERVICES AT AN ALTERNATIVE CARE FACILITY;

-6- 1053

1	(IV) RECOMMENDATIONS FOR UTILIZATION CONTROLS OR
2	PROGRAM CONTROLS FOR A PROGRAM TO PROVIDE SERVICES AT AN
3	ALTERNATIVE CARE FACILITY;
4	(V) THE EXPERIENCES OF THE PROGRAM OF ALL-INCLUSIVE CARE
5	FOR THE ELDERLY, CREATED PURSUANT TO SECTION 25.5-5-412, WITH
6	TIERED RATES FOR ALTERNATIVE CARE FACILITIES, INCLUDING COST
7	SAVINGS OR COST AVOIDANCE;
8	(VI) OTHER STATES' EXPERIENCES WITH TIERED RATES FOR
9	ALTERNATIVE CARE FACILITIES, INCLUDING COST SAVINGS OR COST
10	AVOIDANCE; AND
11	(VII) RECOMMENDATIONS FOR MAINTAINING OR IMPROVING
12	QUALITY OF CARE.
13	(b) The study conducted pursuant to this subsection (2)
14	SHALL BE COMPLETED BY JANUARY 1, 2011, AND, IF FEDERAL APPROVAL
15	IS OBTAINED PRIOR TO FINAL FIGURE-SETTING FOR THE FISCAL YEAR
16	COMMENCING JULY 1, 2011, THE STATE DEPARTMENT SHALL SUBMIT A
17	REQUEST THROUGH THE BUDGET PROCESS FOR IMPLEMENTATION OF THE
18	APPROVED CHANGES FOR THAT FISCAL YEAR.
19	SECTION 3. Part 2 of article 11 of title 26, Colorado Revised
20	Statutes, is amended BY THE ADDITION OF A NEW SECTION to
21	read:
22	26-11-205.7. Community long-term care study - strategic plan
23	- authority to implement. (1) (a) Subject to the receipt of
24	SUFFICIENT MONEYS PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION
25	(1), THE STATE DEPARTMENT OR, IF APPROPRIATE, THE DEPARTMENT OF
26	HEALTH CARE POLICY AND FINANCING SHALL CONTRACT FOR A STUDY OF
27	THE POPULATION ELIGIBLE FOR SERVICES UNDER THE OLDER COLORADANS

-7-

1	PROGRAM CREATED PURSUANT TO SECTION 26-11-205.5. THE STATE
2	DEPARTMENT AND THE DEPARTMENT OF HEALTH CARE POLICY AND
3	FINANCING SHALL MAKE NECESSARY DATA AVAILABLE TO THE
4	CONTRACTOR. IN SELECTING A CONTRACTOR TO PERFORM THE STUDY, THE
5	STATE DEPARTMENTS ARE NOT REQUIRED TO FOLLOW THE COMPETITIVE
6	BIDDING REQUIREMENTS OF THE "PROCUREMENT CODE", ARTICLES 101 TO
7	112 OF TITLE 24, C.R.S. THE STUDY SHALL INCLUDE RESEARCH AND
8	ANALYSIS OF:
9	(I) THE DEMOGRAPHIC CHANGES THAT WILL IMPACT THE DEMAND
10	FOR LONG-TERM CARE SERVICES AND SUPPORTS;
11	(II) THE NUMBER OF PERSONS SIXTY YEARS OF AGE OR OLDER WHO
12	WOULD BENEFIT FROM RECEIVING ADDITIONAL SERVICES THROUGH THE
13	OLDER COLORADANS PROGRAM THEREBY AVOIDING MORE EXPENSIVE
14	CARE NEEDS;
15	(III) THE TYPES OF SERVICES AND SUPPORTS NEEDED BY PERSONS
16	OVER SIXTY YEARS OF AGE TO REMAIN IN THEIR OWN RESIDENCES AND
17	COMMUNITIES FOR AS LONG AS POSSIBLE AND ANY EXISTING OR PROJECTED
18	NEEDS FOR THOSE SERVICES AND SUPPORTS;
19	(IV) THE OVERALL AMOUNT OF SAVINGS TO THE STATE ACROSS
20	THE CONTINUUM OF CARE ASSOCIATED WITH PROVIDING SERVICES TO
21	OLDER ADULTS IN THEIR OWN HOMES AND COMMUNITIES;
22	(V) OTHER STATES' EXPERIENCES WITH LONG-TERM CARE
23	SERVICES AND SUPPORTS, INCLUDING COST SAVINGS OR COST AVOIDANCE;
24	AND
25	(VI) RECOMMENDATIONS FOR A LONG-TERM STRATEGIC
26	IMPLEMENTATION PLAN FOR PROVIDING SERVICES THROUGH THE OLDER
27	COLORADANS DROCRAM

-8- 1053

1	(b) (1) THE STATE DEPARTMENT IS AUTHORIZED TO SEEK AND
2	ACCEPT GIFTS, GRANTS, OR DONATIONS FROM PRIVATE AND PUBLIC
3	SOURCES FOR THE PURPOSES OF THIS SECTION; EXCEPT THAT THE STATE
4	DEPARTMENT MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS
5	SUBJECT TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SECTION OR
6	ANY OTHER LAW OF THE STATE. THE STATE DEPARTMENT SHALL
7	TRANSMIT ALL PRIVATE AND PUBLIC MONEYS RECEIVED THROUGH GIFTS,
8	GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT
9	THE SAME TO THE OLDER COLORADANS STUDY CASH FUND, WHICH FUND
10	IS HEREBY CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND".
11	THE MONEYS IN THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION
12	BY THE GENERAL ASSEMBLY TO THE STATE DEPARTMENT FOR THE DIRECT
13	AND INDIRECT COSTS ASSOCIATED WITH IMPLEMENTING THIS SECTION.
14	(II) ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSE
15	OF THIS SECTION MAY BE INVESTED BY THE STATE TREASURER AS
16	PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED FROM THE
17	INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND SHALL BE CREDITED
18	TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS
19	REMAINING IN THE FUND AT THE END OF A FISCAL YEAR SHALL REMAIN IN
20	THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
21	GENERAL FUND OR ANOTHER FUND.
22	(2) If the study conducted pursuant to paragraph (a) of
23	SUBSECTION (1) OF THIS SECTION CONCLUDES THAT INCREASING FUNDING
24	FOR COMMUNITY-BASED SERVICES AS PROVIDED IN THE OLDER
25	COLORADANS PROGRAM WOULD RESULT IN COST SAVINGS, BY JULY 1,
26	2011, SUBJECT TO THE RECEIPT OF SUFFICIENT MONEYS PURSUANT TO
27	PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION, THE STATE

-9- 1053

1	DEPARTMENT SHALL REPORT TO THE MEMBERS OF THE HEALTH AND
2	HUMAN SERVICES COMMITTEES OF THE SENATE AND HOUSE OF
3	REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, AND TO THE
4	MEMBERS OF THE JOINT BUDGET COMMITTEE A LONG-TERM STRATEGIC
5	IMPLEMENTATION PLAN, DEVELOPED IN COOPERATION WITH THE AREA
6	AGENCIES ON AGING CREATED PURSUANT TO SECTION 26-11-204, THAT
7	IDENTIFIES THE EXPECTED NEEDS FOR SERVICES AND RECOMMENDS
8	POTENTIAL FUNDING SOURCES.
9	(3) IF THE STUDY CONDUCTED PURSUANT TO PARAGRAPH (a) OF
10	SUBSECTION (1) OF THIS SECTION CONCLUDES THAT ONE OR MORE
11	CHANGES WOULD RESULT IN COST SAVINGS TO THE STATE, WITHOUT
12	ADVERSELY AFFECTING THE CARE PROVIDED, AND THE CHANGES ARE
13	RECOMMENDED IN THE STRATEGIC IMPLEMENTATION PLAN DEVELOPED
14	PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE STATE DEPARTMENT
15	OR THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL
16	REQUEST, THROUGH THE STATE BUDGET PROCESS, THAT THE CHANGES BE
17	IMPLEMENTED AND, IF NECESSARY, SHALL RECOMMEND LEGISLATION TO
18	IMPLEMENT THE CHANGES TO THE HEALTH AND HUMAN SERVICES
19	COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR ANY
20	SUCCESSOR COMMITTEES, OR THE JOINT BUDGET COMMITTEE.
21	(4) (a) If the strategic implementation plan developed
22	PURSUANT TO SUBSECTION (2) OF THIS SECTION IDENTIFIES ADDITIONAL
23	STUDIES THAT SHOULD BE CONDUCTED, SUBJECT TO THE RECEIPT OF
24	SUFFICIENT MONEYS PURSUANT TO PARAGRAPH (b) OF SUBSECTION (1) OF
25	THIS SECTION, THE STATE DEPARTMENT OR THE DEPARTMENT OF HEALTH
26	CARE POLICY AND FINANCING SHALL CONTRACT FOR ONE OR MORE
2.7	STUDIES IDENTIFIED IN THE STRATEGIC IMPLEMENTATION PLAN THE

-10-

1	STATE DEPARTMENT AND THE DEPARTMENT OF HEALTH CARE POLICY AND
2	FINANCING SHALL MAKE NECESSARY DATA AVAILABLE TO ALL THE
3	CONTRACTORS. IN SELECTING A CONTRACTOR TO PERFORM ANY STUDY
4	CONDUCTED PURSUANT TO THIS SUBSECTION (4), THE STATE
5	DEPARTMENTS ARE NOT REQUIRED TO FOLLOW THE COMPETITIVE BIDDING
6	REQUIREMENTS OF THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF
7	TITLE 24, C.R.S.
8	(b) If one or more studies conducted pursuant to
9	PARAGRAPH (a) OF THIS SUBSECTION (4) CONCLUDES THAT IMPLEMENTING
10	THE CHANGES RECOMMENDED BY THE STUDY WOULD RESULT IN COST
11	SAVINGS TO THE STATE, WITHOUT ADVERSELY AFFECTING THE CARE
12	PROVIDED, THE STATE DEPARTMENT OR THE DEPARTMENT OF HEALTH
13	CARE POLICY AND FINANCING SHALL REQUEST, THROUGH THE STATE
14	BUDGET PROCESS, THAT THE CHANGES BE IMPLEMENTED AND, IF
15	NECESSARY, SHALL RECOMMEND LEGISLATION TO IMPLEMENT THE
16	CHANGES TO THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE
17	SENATE AND HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR
18	COMMITTEES, OR TO THE JOINT BUDGET COMMITTEE OF THE GENERAL
19	ASSEMBLY.
20	SECTION 4. 25.5-6-313, Colorado Revised Statutes, is amended
21	BY THE ADDITION OF A NEW SUBSECTION to read:
22	25.5-6-313. Rules - federal authorization. (1.5) The rules
23	ADOPTED BY THE STATE BOARD PURSUANT TO SUBSECTION (1) OF THIS
24	SECTION SHALL INCLUDE THE FOLLOWING PROVISIONS CONCERNING ADULT
25	DAY CARE FACILITIES:
26	(a) A DEFINITION OF A RESTRICTED ENVIRONMENT AND A
27	RESTRICTIVE EGRESS ALERT DEVICE;

-11- 1053

1	(b) PARAMETERS GOVERNING HOW THE RESTRICTIVE EGRESS
2	ALERT DEVICE SHALL BE USED AND TESTED AND THE STAFF ROLES
3	REGARDING THE USE AND OVERSIGHT OF THE DEVICE; AND
4	(c) PARAMETERS GOVERNING A RESTRICTED ENVIRONMENT,
5	INCLUDING BUT NOT LIMITED TO STAFFING AND TRAINING REQUIREMENTS;
6	APPROPRIATENESS OF PLACEMENT; ASSESSMENT; PARTICIPANT'S RIGHTS;
7	RECORDS AND REPORTING REQUIREMENTS; BUILDING REQUIREMENTS
8	INCLUDING GROUNDS AND FIRE SAFETY; RESTRICTIVE EGRESS ALERT
9	SYSTEMS AND DEVICES; FENCING OR OTHER ENCLOSURES; AND THE
10	APPLICATION PROCESS TO OFFER A RESTRICTED ENVIRONMENT.
11	SECTION 5. Appropriation. (1) In addition to any other
12	appropriation, there is hereby appropriated, to the department of health
13	care policy and financing, for allocation to the executive director's office,
14	general professional services and special projects, for the fiscal year
15	beginning July 1, 2010, the sum of seventy-five thousand dollars
16	(\$75,000), or so much thereof as may be necessary, for the
17	implementation of this act. Of said sum, thirty-seven thousand five
18	hundred dollars (\$37,500) shall be from the department of health care
19	policy and financing cash fund created in section 25.5-1-109, Colorado
20	Revised Statutes, and thirty-seven thousand five hundred dollars
21	(\$37,500) shall be from federal funds.
22	(2) In addition to any other appropriation, there is hereby
23	appropriated, to the department of human services, for allocation to the
24	executive director's office, for the fiscal year beginning July 1, 2010, the
25	sum of two hundred thousand dollars (\$200,000), or so much thereof as
26	may be necessary, for the implementation of this act. Said sum shall be
27	from the older Coloradans study cash fund created in section 26-11-205.7

-12- 1053

- 1 (1) (b) (I), Colorado Revised Statutes.
- 2 **SECTION 6. Safety clause.** The general assembly hereby finds,
- determines, and declares that this act is necessary for the immediate
- 4 preservation of the public peace, health, and safety.

-13-