

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0608.01 Chelsea Princell x4335

HOUSE BILL 22-1268

HOUSE SPONSORSHIP

Holtorf and Amabile,

SENATE SPONSORSHIP

(None),

House Committees

Public & Behavioral Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A REPORTING OF MEDICAID REIMBURSEMENT RATES PAID
102 TO MENTAL HEALTH PROVIDERS.

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 requires the department of health care policy and financing (department) to prepare a report of medicaid reimbursement rates for community mental health providers and independent mental health and substance use treatment providers. The department must hire an independent auditor to prepare the report and provide recommendations on the report to be presented to the house of

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

representatives public and behavioral health and human services committee. The department is required to prepare recommendations based on the audit findings and recommendations to create equitable payment models between providers of community mental health centers and independent mental health and substance use treatment providers providing comparable behavioral health services.

The audit conducted must reflect data from state fiscal year 2020-21 and include a determination and recommendations on the adequacy of reimbursement rates paid to medicaid mental health providers. The department must present an action plan to implement changes to reimbursement rates based on the findings of the audit to the joint budget committee before November 15, 2022. The department must also prepare an annual report and provide an update at the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearing annually through August 1, 2025.

The bill requires the department to publish an annual cost report on or before March 15 of each year. The department must establish a cost report template and cost reporting schedule to assist providers in relaying cost information to the state department. The bill requires the department to establish a transparency report that translates the cost report data into meaningful and actionable information to ensure equity in provider compensation and adequate access to care for medicaid members.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 finds and declares that it is imperative to determine whether a disparity
4 exists, and the reasons for such possible disparities, in medicaid
5 reimbursement rates among providers of mental health services in an
6 effort to ensure transparency and parity in reimbursement rates.

7 **SECTION 2.** In Colorado Revised Statutes, **add** 25.5-1-132 as
8 follows:

9 **25.5-1-132. Report of medicaid reimbursement rates paid to**
10 **community mental health center providers and independent**
11 **providers.** (1) ON OR BEFORE AUGUST 15, 2022, THE STATE DEPARTMENT
12 SHALL PUBLISH A REPORT OF MEDICAID REIMBURSEMENT RATES FOR
13 PROVIDERS OF COMMUNITY MENTAL HEALTH CENTERS, AS DEFINED IN

1 SECTION 27-66-101 (2), AND INDEPENDENT MENTAL HEALTH AND
2 SUBSTANCE ABUSE TREATMENT PROVIDERS, AS DESCRIBED IN SUBSECTION
3 (2) OF THIS SECTION. THE STATE DEPARTMENT SHALL CONTRACT WITH AN
4 INDEPENDENT AUDITOR TO PREPARE A REPORT AND RECOMMENDATIONS
5 ON THE REPORT PUBLISHED AND PRESENT THE AUDITOR'S REPORT TO THE
6 HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH AND
7 HUMAN SERVICES COMMITTEE, OR ANY SUCCESSOR COMMITTEE. THE
8 STATE DEPARTMENT SHALL PREPARE, IN COORDINATION WITH THIS
9 INDEPENDENT REPORT, A SET OF RECOMMENDATIONS ON CREATING
10 EQUITABLE PAYMENT AND PAYMENT MODELS THAT MINIMIZE
11 INAPPROPRIATE PAYMENT VARIATION IN COMPARABLE BEHAVIORAL
12 HEALTH SERVICES BETWEEN THE PROVIDERS OF COMMUNITY MENTAL
13 HEALTH CENTERS AND INDEPENDENT MENTAL HEALTH AND SUBSTANCE
14 USE TREATMENT PROVIDERS.

15 (2) THE REPORT PREPARED PURSUANT TO SUBSECTION (1) OF THIS
16 SECTION MUST REFLECT DATA FROM STATE FISCAL YEAR 2020-21 AND
17 IDENTIFY DISCREPANCIES, IF ANY, AND THE REASONS FOR SUCH
18 DISCREPANCIES IN MEDICAID REIMBURSEMENT RATES PAID TO PROVIDERS
19 OF A COMMUNITY MENTAL HEALTH CENTER AND INDEPENDENT MENTAL
20 HEALTH AND SUBSTANCE ABUSE TREATMENT PROVIDERS FOR
21 COMPARABLE SERVICES. THE REPORT MUST INCLUDE A DETERMINATION
22 OF AND RECOMMENDATIONS ON WHETHER REIMBURSEMENT RATES PAID
23 TO COMMUNITY MENTAL HEALTH CENTER PROVIDERS AND INDEPENDENT
24 MENTAL HEALTH AND SUBSTANCE USE TREATMENT PROVIDERS ARE
25 ADEQUATE TO MEET OR EXCEED NETWORK ADEQUACY STANDARDS IN
26 EVERY REGION OF THE STATE. THE DATA MUST BE AGGREGATED TO
27 ENSURE INDIVIDUAL COMMUNITY MENTAL HEALTH CENTERS AND

1 INDEPENDENT PROVIDERS ARE NOT IDENTIFIABLE AND MUST COMPLY WITH
2 ANY OTHER STATE AND FEDERAL PRIVACY LAWS. ON OR BEFORE
3 NOVEMBER 15, 2022, THE STATE DEPARTMENT SHALL PRESENT AN ACTION
4 PLAN FOR IMPLEMENTATION TO THE JOINT BUDGET COMMITTEE. THE
5 STATE DEPARTMENT SHALL PRODUCE A REPORT, IN ACCORDANCE WITH
6 THIS SECTION, ANNUALLY THROUGH AUGUST 1, 2025, AND PROVIDE AN
7 UPDATE DURING ITS "STATE MEASUREMENT FOR ACCOUNTABLE,
8 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARING
9 PURSUANT TO SECTION 2-7-203 ON THE FINDINGS AND ADDITIONAL
10 RECOMMENDATIONS.

11 **SECTION 3.** In Colorado Revised Statutes, **add** 25.5-4-403.1 as
12 follows:

13 **25.5-4-403.1. Providers - community mental health centers**
14 **and clinics - cost reporting.** FOR THE PURPOSE OF INCREASED PAYMENT
15 METHODOLOGY TRANSPARENCY, NO LATER THAN MARCH 15 OF EACH
16 YEAR, THE STATE DEPARTMENT SHALL PUBLISH COST REPORTS FOR
17 COMMUNITY MENTAL HEALTH CENTERS AND CLINICS. THE STATE
18 DEPARTMENT SHALL PREPARE THE REPORTS FOLLOWING ENGAGEMENT
19 WITH AFFECTED PROVIDERS, STATE DEPARTMENTS, AND OTHER AGENCIES,
20 ORGANIZATIONS, OR INDIVIDUALS IN ORDER TO ENSURE COMPREHENSIVE
21 AND OBJECTIVE COST INFORMATION. THE STATE DEPARTMENT SHALL
22 ESTABLISH A COST-REPORTING TEMPLATE AND COST-REPORTING
23 SCHEDULE TO ASSIST PROVIDERS IN MEETING THIS REQUIREMENT. THE
24 STATE DEPARTMENT SHALL REDACT INFORMATION TO MAINTAIN
25 COMPLIANCE WITH STATE AND FEDERAL LAW INCLUDING, BUT NOT
26 LIMITED TO, PERSONALLY IDENTIFYING INFORMATION AND PROTECTED
27 HEALTH INFORMATION AS NECESSARY TO PROTECT THE PRIVACY OF

1 PATIENTS. THE STATE DEPARTMENT SHALL ESTABLISH A TRANSPARENCY
2 REPORT, INCLUDING A NARRATIVE THAT TRANSLATES THE DATA INTO
3 MEANINGFUL AND ACTIONABLE INSIGHTS INTENDED TO DELIVER EQUITY
4 IN PROVIDER COMPENSATION AND ADEQUATE CARE ACCESS TO MEDICAID
5 MEMBERS.

6 **SECTION 4. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety.