2017 Legislative Session Wrap-Up

The 2017 legislative session ended on May 10, 2017. The Department had a successful session, with major policy initiatives approved – many of which had broad bipartisan support during a year that brought challenges due to federal uncertainty. A brief overview of the status of Department agenda bills and legislation impacting the Department is outlined below.

Department Agenda Bills

**SB17-091 – Align Statute with Federal Home Health Rules:** The bill allows Medicaid clients to receive home health services in the community, ensuring they are not restricted to only receiving such services at their residence. This bill also brings Colorado into compliance with the Centers for Medicare and Medicaid Services federal rule on Home Health.

**HB17-1139 – Improve Program Integrity Efforts:** Currently, the Department has the authority to terminate provider contracts for noncompliance with rules and regulations but has no authority to use more moderate approaches that can help providers remain part of the Medicaid provider network. The bill gives the Department the authority to request a written response from a provider, asking them to explain whether they agree or disagree with the Department’s finding of noncompliance and how and when they will achieve current and future compliance.

The bill also closes a loophole in statute that prohibits the Department from acting if a Medicaid client is illegally billed for a covered medical service, by giving the Department the authority to issue a fine ONLY if the provider is unwilling to void the bill or take the client out of collections within at least 30 days from notification.

**HB17-1343 – Implement Conflict-free Case Management:** This bill allows people with intellectual and developmental disabilities (IDD) who are on the home- and community-based services (HCBS) IDD waivers to choose who provides their case management services. It moves Colorado into compliance with federal regulations that prohibit a provider from providing case management services and direct services to the same individual.

**HCPF Access to the PDMP:** The House of Representatives approved an amendment to HB17-1351 that would give the Department access to the PDMP to help identify clients at risk of an opioid overdose or need of additional care coordination. Given how late it was in the Session, the Senate decided to remove the amendment and ask that the concept be further studied over the summer by the Interim Committee on Opioid and Substance Abuse Disorders.

**Contingency Planning for CHIP Funding:** Based on direction from the Joint Budget Committee, the Department did not run a contingency bill related to the uncertainty of

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continued federal funding of the Child Health Plan Plus Program (CHIP). Director Birch sent a letter to Colorado’s congressional delegation explaining the consequences of not authorizing funding for the program past September 2017. The CHIP provides funding for approximately 120,000 children and pregnant women on Medicaid and the Child Health Plan Plus program in Colorado.

**Major Bills Impacting the Department**

**SB17-121 – Improve Medicaid Client Correspondence:** This bill requires the Department to engage in an ongoing process to improve Medicaid client correspondence, including letters and notices concerning eligibility for or the denial, reduction, suspension or termination of a benefit. The bill adds requirements for notices significantly revised or created after January 1, 2018 and provides the Department permanent funding to do client testing on notices.

**SB17-267 – Sustainability of Rural Colorado:** Specific to the Department, this bill moves the Hospital Provider Fee (HPF) into an enterprise (the Colorado Healthcare Affordability and Sustainability Enterprise) and creates a board consisting of 13 members appointed by the Governor – with the consent and advice of the Senate – to govern the enterprise. It also requires executive branch agencies to submit FY2018-19 budget requests to OSPB with a 2 percent reduction. The bill implements the delivery reform incentive payment program (DSRIP) no earlier than October 1, 2019 and requires the Department to seek a federal waiver, if necessary, to meet the requirements of the Advancing Care of Exception Kids Act within 120 days of its federal enactment. The bill also requires the Medical Services Board to promulgate rules to increase copays for various services.

**HB17-1078 – Transfer Funds from the Family Support Loan Program:** This bill repeals the Colorado Family Support Loan Fund and transfers any remaining money into a new fund created in the Family Support Services Program, which will be used to support a dependent family member with a developmental disability live with their family at home.

**HB17-1351 – Study Inpatient Substance Use Disorder Treatment:** This bill requires the Department to prepare a written report relating to residential and inpatient substance use disorder treatment options under the Medicaid program, the cost of treatment and the potential impact on other state and county programs and services if residential and inpatient treatment options were effective.

**HB17-1353 – Implement Medicaid Delivery & Payment Initiatives:** Run by the JBC, this bill authorizes the Department to continue its implementation of the Medicaid care delivery system, or the Accountable Care Collaborative (ACC). The bill defines the goals of the ACC and the Department’s implementation of it, including establishing primary care medical homes for Medicaid clients and integrating physical and behavioral health care delivery. The bill also authorizes the Department to implement performance-based payments for Medicaid providers and creates related reporting requirements.

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