



COLORADO

Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

2023 HCPF Legislative Agenda Overview

March 2023

Prader Willi Syndrome - HB 1040

This bill makes a technical change to statute by removing outdated and inconsistent language related to Prader-Willi Syndrome. Prader-Willi Syndrome is a rare genetic disorder that results in a number of physical, mental and behavioral complications. Currently, more updated portions of statute, regulations and the Developmental Disabilities (DD), Supported Living Services (SLS) and Children's Extensive Support (CES) waivers have revised definitions of developmental disability that include Prader-Willi syndrome. This proposed change aligns all relevant language.

Prescription Drug Benefits Contract Term Requirements - HB 1201

Prescription drug "spread pricing" occurs when a pharmacy benefit manager or its health insurance carrier affiliate charges its policyholder or employer client a higher price than it pays the pharmacy for dispensing the same drug to the same covered member. As a result of spread pricing, employers pay more for the health benefits provided to their employees, and the PBM/insurance carrier keeps the "spread" as profit. The bill would prohibit the practice of spread pricing in Colorado and create transparency between employers and their PBM or insurance carrier contracted partner regarding critical prescription drug pricing factors. It would also clarify how employers may leverage savings from the spread pricing prohibition to make proactive, voluntary decisions such as increasing wages, financing increasing benefit costs or reducing out of pocket costs for their employees. Through these provisions, this bill would reduce costs for employers who are under pressure to keep pace with rising wages and health care costs.

Nursing Facility Reimbursement Rate Setting - HB 1228

This bill would implement the Department's recommendations in the [2022 Nursing Facility Reimbursement Recommendations Report](#) and ensure the nursing facility industry continues to move forward with innovative practices aimed at improving their long-term sustainability. In 2022, HB 22-1247 provided a critical infusion of funding to the nursing facility industry for FY 2021-22. It also directed the Department to establish reporting and result tracking requirements to administer additional supplemental funding, pursue federal matching funds, and engage with stakeholders to produce a recommendation report on ways to improve the industry's financial standing. [The report](#), published on November 1, 2022, includes a number of recommendations including:



- targeting future short-term increases in funding to high Medicaid utilizers,
- increasing transparency in ownership and financial practices in the nursing facility industry,
- increasing funding for behavioral health and complex needs payments,
- increasing funding to rural nursing facilities,
- removing across-the-board rate increases and removing regulatory and licensing barriers where possible.

Hospital Community Benefit - HB 1243

This bill with the amendment improves upon earlier legislation to hold non profit, tax-exempt hospitals accountable to their communities in a variety of ways. Like current law, this bill applies only to Colorado's larger non profit, tax-exempt hospitals, and does not apply to the 32 Critical Access Hospitals in rural and frontier areas of the state. The bill:

- Clarifies submission requirements for hospital community benefit investment reporting to capture more specific spending categories, such as behavioral health services; support for housing, food, and job opportunities for community members; provider recruitment and training; and research. Improved data reporting will allow hospitals to be evaluated for their specific investments and how they align with the needs of their communities.
- Enhances public meeting compliance requirements for hospitals by improving meeting noticing and accessibility, as well as requiring hospitals to incorporate community feedback in spending priorities.
- Establishes corrective action and penalties for non-compliance.

Temporary Suspension Of Medicaid Requirements - SB 182

This bill would ensure the necessary state authority to continue to access federal funding related to COVID-19 response and recovery activities for the 14-month period after the COVID-19 continuous coverage requirement ends. The expiration of the continuous coverage requirement authorized by the Families First Coronavirus Response Act (FFCRA) presents the single largest health coverage transition event since the first open enrollment period of the Affordable Care Act. Throughout the federally-designated Public Health Emergency (PHE) in response to COVID-19, states have been required to maintain enrollment of nearly all Medicaid enrollees as a condition of receiving a temporary 6.2% Federal Medical Assistance Percentage (FMAP) increase. When the PHE expires, states will have up to 14 months to return to normal eligibility and enrollment operations as provided by the Federal Centers for Medicare and Medicaid Services, but need to access the 6.2% FMAP during that time period.

Medicaid Pharmacy And Outpatient Services Copayment - SB 222

This is a companion bill to the Department's *R-7 Provider Rate Adjustments* budget request, and would grant the Department authority to eliminate copays for most Medicaid benefits. Copays are used to encourage desirable utilization and discourage undesirable utilization in health care. Studies show that copays in Medicaid can lead to delayed care, pill-splitting, and unfilled prescriptions, which can result in poor health outcomes and more expensive



utilization. The Department anticipates that removing member copays will lessen the financial burden that members and families might experience as a result of cost-sharing, such as having to borrow money to pay for care or struggling to afford basic needs like rent and food. Copayments are also part of the cost-sharing mechanism for reimbursing health providers. If copayments are reduced, the Department will be able to leverage more federal matching funds through higher overall reimbursement to providers.

Medicaid Provider Rate Review Process (MPRRAC) - SB 223

In 2022, the General Assembly passed SB 22-236, which made changes to the MPRRAC by increasing its effectiveness and efficiency, while ensuring providers, consumers and stakeholders have an opportunity to provide input during the rate review process. This bill would make technical changes to accelerate the implementation of the three-year cycle of rate reviews established in SB21-236 and ensure the best use of state resources.

Community First Choice & 1915 (c) Waiver Statute Changes

Community First Choice (CFC) is an optional program under the State Plan that allows states to offer Health First Colorado members a package of services on a state-wide basis to members who meet institutional level of care. These services will assist in accomplishing activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks including personal emergency response for individuals who require assistance. CFC draws a higher federal match than provided through home and community-based services. Under CFC, Colorado would pay 44% of program costs, gaining a 6% increased FMAP instead of the 50% it currently pays on most services.

Select services that assist members with ADLs, IADLs, and health-related tasks that are currently offered through Colorado's 1915 (c) waivers will be offered under Community First Choice after implementation. This bill removes these services from the waiver and changes eligibility for services to match Community First Choice/federal law. This bill is needed to ensure state law is aligned with federal law and to allow for full implementation of Community First Choice in Colorado.

HCPF Access to Colorado Prescription Drug Monitoring (PDMP) Data

This bill would allow HCPF access to PDMP Medicaid members' data to ensure appropriate prescribing and detect misuse/overutilization of controlled substances. The Prescription Drug Monitoring Program (PDMP) collects information on all controlled substance prescriptions dispensed in the state of Colorado. Current statute limits access to the reporting data to practitioners providing care, pharmacists, law enforcement, the Colorado Department of Public Health and Environment, and medical examiners/coroners, with no pathway for access by HCPF for Medicaid members' data.

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