

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Appropriations.

HB23-1295 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 25.5-4-301, **add**
4 (3.7) as follows:

5 **25.5-4-301. Recoveries - overpayments - penalties - interest -**
6 **adjustments - liens - review or audit procedures - repeal.** (3.7) (a) BY
7 NOVEMBER 1, 2023, THE OFFICE OF THE STATE AUDITOR SHALL CONDUCT
8 AN INDEPENDENT REVIEW OF THE STATE DEPARTMENT'S RECOVERY AUDIT
9 CONTRACTOR PROGRAM FOR COMPLIANCE WITH REQUIREMENTS OF THE
10 FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES MEDICAID
11 RECOVERY AUDIT PROGRAM, COMPLIANCE WITH CODING PRACTICE
12 STANDARDS, AND STATE LAW. TO THE EXTENT POSSIBLE, THE AUDIT SHALL
13 EXAMINE AND ISSUE POLICY RECOMMENDATIONS TO THE JOINT BUDGET
14 COMMITTEE OF THE GENERAL ASSEMBLY, THE HEALTH AND HUMAN
15 SERVICES COMMITTEE OF THE SENATE, AND THE PUBLIC AND BEHAVIORAL
16 HEALTH AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF
17 REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, REGARDING:

18 (I) THE EFFECTIVENESS AND LEVEL OF THE PAYMENT MODEL USED
19 FOR THE STATE DEPARTMENT'S RECOVERY AUDIT CONTRACTOR,
20 INCLUDING THE LEVEL OF PAYMENTS SUFFICIENT TO MAINTAIN A
21 CONTRACTOR, THE SCOPE OF THE CONTRACT AND DELIVERABLES, AND
22 IMPACTS ON PROVIDERS RELATED TO A CONTINGENCY FEE-BASED SYSTEM
23 SIGNIFICANTLY ABOVE THE FEDERAL STANDARD;

24 (II) THE METHODS AND EFFECTIVENESS OF THE STATE
25 DEPARTMENT'S CURRENT APPROACH TO ADDRESSING PROVIDER CONCERNS
26 REGARDING THE MEDICAID RECOVERY AUDIT CONTRACTOR PROGRAM;

27 (III) THE DESIGN, EFFECTIVENESS, AND METHODS USED BY OTHER
28 STATES IN MEETING THE FEDERAL STANDARD, INCLUDING:

29 (A) AN ASSESSMENT OF REQUIREMENTS IMPOSED BY OTHER
30 STATES IN REGARD TO QUALIFICATIONS OF REVIEWERS TO ENSURE
31 ALIGNMENT OF SPECIALTY AND SUBSPECIALTY EXPERTISE FOR
32 CONDUCTING INITIAL AUDITS AND FINAL DETERMINATIONS;

33 (B) AN ASSESSMENT OF OTHER STATES' LOOKBACK PERIODS AND
34 THE STATES' RELATIVE FINANCING MECHANISMS;

35 (C) BEST PRACTICES EMPLOYED BY OTHER STATES OR
36 RECOMMENDED BY COLORADO PROVIDERS TO HELP IMPROVE BILLING
37 PRACTICES AND COMPLIANCE AND TO PROVIDE SUPPORT THROUGHOUT THE
38 RECOVERY AUDIT CONTRACTOR PROCESS; AND

39 (D) MODELS FROM OTHER STATES USED TO INCENTIVIZE
40 IDENTIFICATION OF UNDERPAYMENTS, ALONG WITH A FEASIBILITY
41 ASSESSMENT FOR THE USE OF SUCH MODELS IN COLORADO.

1 (IV) IMPLICATIONS FOR PROVIDERS AND THE STATE'S GENERAL
2 FUND OF ADJUSTING THE LOOKBACK PERIOD USED FOR THE RECOVERY
3 AUDIT CONTRACTOR AUDITS. THE OFFICE OF THE STATE AUDITOR SHALL
4 EXAMINE, TO THE EXTENT FEASIBLE AND DISAGGREGATED BY DATES OF
5 SERVICE, AUDIT FINDING DATE, AND PROVIDER TYPE:

6 (A) THE NUMBER, PROPORTION, AND VALUE OF CLAIMS REVIEWED,
7 RELATIVE TO TOTAL POTENTIAL CLAIMS SUBJECT TO THE RECOVERY AUDIT
8 CONTRACTOR PROGRAM;

9 (B) THE NUMBER AND PROPORTION OF PROVIDERS IMPACTED BY
10 CLAIM REVIEWS AND CONTESTED PAYMENTS;

11 (C) THE NUMBER, PROPORTION, AND VALUE OF CONTESTED
12 PAYMENTS, INCLUDING UNDERPAYMENTS, OVERPAYMENTS, AND
13 RECOUPMENTS; AND

14 (D) THE NUMBER, PROPORTION, VALUE, AND RESULT OF
15 CONTESTED PAYMENTS BY DISPOSITION STATUS, INCLUDING THOSE
16 RESOLVED THROUGH INTERVIEW REQUESTS PURSUANT TO SECTION
17 25.5-4.301(3)(a)(IV.5), INFORMAL RECONSIDERATIONS, AND APPEALS.

18 (V) PROVIDER ADMINISTRATIVE BURDENS ASSOCIATED WITH THE
19 RECOVERY AUDIT CONTRACTOR PROGRAM;

20 (VI) THE FEASIBILITY OF INCENTIVES FOR UNDERPAYMENT
21 IDENTIFICATION, INCLUDING MODELS FROM OTHER STATES AND METHODS
22 FOR IDENTIFYING UNDERPAYMENTS;

23 (VII) THE IMPACT OF AUDITS ON PROVIDER PARTICIPATION AND
24 ACCESS TO CARE, AND OPPORTUNITIES TO INCREASE MEANINGFUL
25 PROVIDER PARTICIPATION AND ACCESS TO CARE; AND

26 (VIII) AN ASSESSMENT OF THE DUPLICATION OF UTILIZATION
27 MANAGEMENT REVIEWS AND APPROVALS, SUCH AS PRIOR AUTHORIZATION,
28 WITH POST-PAYMENT AND AUDIT REVIEWS.

29 (b) THE OFFICE OF THE STATE AUDITOR SHALL CONTRACT WITH AN
30 ENTITY THAT REVIEWS STATE PLANS AND AMENDMENTS SUBMITTED TO
31 THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES ON
32 BEHALF OF STATES FOR THE ENTITY TO ASSESS FEDERAL FLEXIBILITIES
33 PURSUANT TO 42 CFR 455.516 THAT COLORADO CAN UTILIZE IN ORDER TO
34 IMPROVE THE RECOVERY AUDIT CONTRACTOR PROGRAM AND ASSIST IN
35 PURSUING THOSE FLEXIBILITIES, WHEN ALREADY AUTHORIZED.

36 (c) THIS SUBSECTION (3.7) IS REPEALED, EFFECTIVE JULY 1, 2025.

37 **SECTION 2. Safety clause.** The general assembly hereby finds,
38 determines, and declares that this act is necessary for the immediate
39 preservation of the public peace, health, or safety."

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