

Coordinated System of Payment (Senate Bill 07-004) SUMMARY

SB 07-004 amends three different state statutes:

- C.R.S. 27-10.5 (Developmental Disabilities)
- C.R.S. 25.5 (Medicaid and CHP+)
- C.R.S. 10-16 (Private Health Insurance)

C.R.S. 27-10.5 (Developmental Disabilities)

- Adds new Part 7, Coordinated System of Payment for Early Intervention Services.
- New definitions (*paraphrased*):
 - Carrier as defined in 10-16-102 (8)
 - Certified Early Interventions Service Broker - a Community Centered Board or other entity designated by the Department who ensures the coordination of billing and payment at the local level, and maintains a registry of qualified EI (early intervention) service providers.
 - Coordinated System of Payment – policies and procedures to ensure that available public and private funds to pay for early intervention services are accessed and utilized in an efficient manner.
 - Early Intervention Services – defined by DHS in accordance with federal Part C requirements and specifies that services in the Individualized Family Service Plan (IFSP) shall qualify as meeting the standard for medically necessary services as used by private health insurance and as used by public medical assistance, to the extent allowed pursuant to section 25.5-1-123, C.R.S.
 - Eligible Child – defined by DHS in accordance with federal Part C requirements.
 - Individualized Family Service Plan – a written plan developed in accordance with federal Part C requirements.
 - Part C – means Part C of the federal Individuals with Disabilities Education Act (2004).
 - Private Health Insurance – a health coverage plan, as defined in section 10-16-102 (22.5).
 - Public Medical Assistance – medical services provided under the Colorado Medical Assistance Act and Children’s Basic Health Plan Act (a.k.a. Child Health Plan Plus).
 - Qualified Early Intervention Services Provider – defined in the Part C State Plan and listed on the registry of EI providers.
 - State Plan – the comprehensive and coordinated system of early intervention services required under Part C.
- The Department of Human Services (DHS) must:
 - Develop a statewide plan for a comprehensive system of early intervention services.
 - Establish interagency operating agreements with the Departments of Education (CDE), Health Care Policy and Financing (HCPF), and Public Health and Environment (CDPHE).
 - Develop a coordinated system of payment, in cooperation with CDE, HCPF, CDPHE, the Division of Insurance, private health insurance carriers and early intervention Brokers.
 - DHS must certify who is an EI Broker.
 - Ensure appropriate allocation of payment responsibilities for EI Services among federal, state, local, and private sources, including Medical Assistance and private insurance coverage.

- Any new funds that may become available for payment for early intervention services will not replace or reduce any other federal or state funds already available for EI Services.
- Specifically excludes any control over local funds.
- DHS may not directly or indirectly create any new entitlement to services.
- State departments must cooperate in the development of the state plan. Each department must:
 - assign a representative to advise and assist in the development;
 - participate in the ongoing review of funding practices;
 - help to use uniform forms and procedures;
 - coordinate revisions to existing rules; and
 - perform other tasks and functions necessary for implement.
- EI Service Broker functions:
 - Establish a registry of early intervention service providers;
 - Accept and process claims;
 - Negotiate for payment of EI Services;
 - Ensure payment for services rendered;
 - Use procedures and forms determined by DHS to document the provision or purchase of EI Services;
 - Participate in ongoing reviews of funding practices; and,
 - Provide DHS with information necessary for reporting purposes for the legislature or other funding sources.
- DHS must establish reimbursement rates for EI Broker functions, with input from EI Brokers.
 - Use of a certified EI Broker is voluntary on the part of EI service providers.
- DHS must negotiate with private insurance carriers the method of payment for EI Services.
 - DHS must establish a Trust Fund for those private insurance carriers who elect to make payment directly to the state who then contracts with EI Brokers for EI Services.
 - No later than March 1 of each year, DHS must provide private insurance carriers with a report specifying the amount of benefits paid to EI Brokers or qualified EI providers by child, and the services provided.
 - A portion of the funds may be used to fund 1.0 FTE at DHS to manage the fund.
 - Unused funds from the Trust Fund will be returned to the carrier.
- Payment from private insurance carriers
 - Maximum cost to any private insurance carrier per child per fiscal year is \$5,725. This amount will be adjusted each year for inflation.
 - DHS must negotiate with private insurance carriers regarding the method of payment: 1) direct payment to providers, 2) use of a Broker as a third party vendor, or 3) payment to the State into a Trust Fund.
- DHS must notify private insurance carriers within 60 days if a child is no longer eligible.
- DHS must provide private insurance carriers with a report at least annually each calendar year regarding the total amount of benefits paid and services provided.
- DHS must provide an annual report to the General Assembly on November 1 each year regarding the various funding sources used, the number of children served and the average cost of services.

C.R.S. 25.5-1 (Medicaid, including EPSDT, and Child Health Plan Plus)

- Amends Parts 1 and 8, and 25-36-101
- Impacts Medicaid State Plan, including Early and Periodic Screening, Diagnosis and Treatment (EPSDT), and the Child Health Plan Plus (CHP+).
- HCPF must participate in the development and implementation of the coordinated system of payments.
- HCPF must ensure that EI Services and payments for recipients of Medical Assistance (i.e., Medicaid) are integrated into the coordinated system of payments.
- To the extent necessary to achieve the coordinated system of payments and facilitate implementation, HCPF must:
 - Amend the (Medical Assistance) State Plan, or seek federal authorization;
 - Develop and implement new rules;
 - Modify the billing system; and,
 - Make any necessary modifications to the CHP+ program to integrate it as well.
- Provides funding from SB 07-097 (short-term Innovative Health Program Grant Fund) for 1.0 FTE at HCPF to help with development and implementation.
- HCPF must negotiate with DHS to determine which of the EI Services will be considered medically necessary and cost-effective. If there is a fiscal impact, HCPF and DHS will be required to submit a budget request to cover the costs. The following EI Services are excluded from coverage:
 - Assistive Technology (except as already covered under CHP+ as durable medical equipment);
 - Non-emergency transportation;
 - Respite Care; and,
 - Service Coordination (as defined in 34 CFR 303.12 (d)).

C.R.S. 10-16 (Private Health Insurance Plans)

- Amends Parts 104 and 105
- New definitions (*paraphrased*):
 - Early Intervention Services – EI Services as defined by DDD (Part C). Excludes:
 - Assistive Technology (except as already covered by a plan as durable medical equipment);
 - Non-emergency transportation;
 - Respite Care; and,
 - Service Coordination (as defined in 34 CFR 303.12 (d)).
 - Eligible Child – as defined by DDD in accordance with Part C.
 - Individualized Family Service Plan – a written plan developed pursuant to 34 CFR 303.340.
 - Part C - early intervention program for infants and toddlers who are eligible under Part C of the Individuals with Disabilities Education Act (2004)
 - Qualified Early Intervention Service Provider – as defined by DDD (Part C)
- Affects ALL individual and group sickness and accident insurance policies issued on or after January 1, 2008. Excludes:
 - Self-insured plans;
 - Short-term, accident, fixed indemnity or specified disease policies;
 - Disability income contracts;
 - Limited benefit health insurance, as defined by (Division of Insurance) Commissioner by rule;
 - A Medicare supplement policy;
 - Worker’s Compensation or similar insurance;
 - Automobile medical payment insurance; and,
 - Insurance under which benefits are payable with or without regard to fault and required by law to be contained in any liability insurance policy or equivalent self-insurance.
- Coverage may be offered through a High Deductible plan that would qualify for a health savings account, except that an insurance carrier may apply deductible amounts for the required coverage within certain federal limitations. Copays or deductibles may be covered with state or federal funds once rules are developed.
- EI Services specified in the IFSP shall qualify as meeting the standard for medically necessary health care services as used by private health insurance plans.
- Coverage is limited to \$5,725 per calendar or policy year.
 - Coverage includes the cost of case management services.
 - Amount is adjusted each year based on the Consumer Price Index (CPI) for the Denver-Boulder-Greeley metropolitan statistical area.
 - Coverage will not be subject to deductibles or copayments.
 - Coverage will not be applied to an annual or lifetime maximum benefit.
 - The rate for EI Services provided by nonparticipating (i.e., out-of-network) providers will not exceed the rate paid by the insurance carrier for participating (i.e., in-network) providers for comparable services (unless otherwise agreed to by the insurance carrier).
 - Coverage for EI Services does not include rehabilitation or therapeutic services that are necessary as the result of an acute medical condition, or to services provided to a child who is not participating in Part C and does not have an IFSP.
- DHS must notify the insurance carrier within 60 days if a child is no longer eligible.
- Coverage under 10-16-104 (1.7) for therapies for congenital defects and birth abnormalities is adjusted to cover children from their third birthday to their sixth birthday.