

CHAPTER 260

HEALTH CARE POLICY AND FINANCING

HOUSE BILL 25-1288

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also SENATOR(S) Roberts and Simpson, Amabile, Bridges, Catlin, Cutter, Daugherty, Exum, Gonzales J., Hinrichsen, Jodeh, Kipp, Marchman, Michaelson Jenet, Mullica, Pelton B., Pelton R., Snyder, Wallace, Weissman, Winter F.

AN ACT

CONCERNING FINANCIAL SUPPORT FOR FEDERALLY QUALIFIED HEALTH CENTERS.

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

- SECTION 1. Legislative declaration.** (1) The general assembly finds that:
- (a) Federally qualified health centers (FQHC) play an important role in the safety net system by serving roughly 30% of medicaid patients in Colorado; however, FQHCs receive less than 2% of the state's medicaid provider reimbursement;
 - (b) The primary care fund (fund) was created to allocate money to qualified providers who provide comprehensive primary care services in an outpatient setting to uninsured and medically indigent patients, or individuals enrolled in medicaid;
 - (c) Each dollar in the fund receives a one-for-one match by the federal centers for medicare and medicaid (CMS); and
 - (d) CMS adopted rules that prohibit qualified providers who would benefit from the federal match from donating to the fund, but the rules do not prohibit other gifts from being made to the fund.
- (2) Therefore, the general assembly declares that it is necessary to allow the state to seek and accept gifts for the primary care fund.

SECTION 2. In Colorado Revised Statutes, 24-22-117, **amend** (2) introductory portion and (2)(b)(I); and **add** (2)(b)(VI) as follows:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

24-22-117. Tobacco tax cash fund - accounts - creation - legislative declaration. (2) There are hereby created in the state treasury the following funds:

(b) (I) The primary care fund to be administered by the department of health care policy and financing. The state treasurer and the controller shall transfer an amount equal to nineteen percent of the ~~moneys~~ MONEY deposited into the cash fund, plus nineteen percent of the interest and income earned on the deposit and investment of ~~those moneys~~ THE MONEY, to the primary care fund. ~~except that, for the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years, the state treasurer and the controller shall transfer to the primary care fund only an amount equal to nineteen percent of the moneys deposited into the cash fund.~~ IN ADDITION TO THE MONEY TRANSFERRED FROM THE CASH FUND, THE PRIMARY CARE FUND CONSISTS OF GIFTS RECEIVED PURSUANT TO SUBSECTION (2)(b)(VI) OF THIS SECTION AND ANY OTHER MONEY THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER INTO THE PRIMARY CARE FUND. All interest and income derived from the deposit and investment of ~~moneys~~ MONEY in the primary care fund ~~shall be~~ IS credited to the primary care fund. ~~except that all interest and income derived from the deposit and investment of moneys in the primary care fund during the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years shall be credited to the general fund.~~ Any unexpended and unencumbered ~~moneys~~ MONEY remaining in the primary care fund at the end of a fiscal year ~~shall remain~~ REMAINS in the fund and ~~shall~~ IS not be credited or transferred to the general fund or any other fund.

(VI) THE STATE DEPARTMENT MAY SEEK AND ACCEPT GIFTS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SUBSECTION (2)(b).

SECTION 3. In Colorado Revised Statutes, **amend** 25.5-5-331 as follows:

25.5-5-331. Federally qualified health center - reimbursement - rules.

(1) Costs associated with services provided by clinical pharmacists through a federally qualified health center, as defined in the federal "Social Security Act", 42 U.S.C. sec. 1395x (aa)(4), are considered allowable costs for the purpose of a federally qualified health center's cost report and must be included in the calculation of the reimbursement rate for a patient visit at a federally qualified health center.

(2) (a) A FEDERALLY QUALIFIED HEALTH CENTER, AS DEFINED IN THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 1395x (aa)(4), MAY ESTABLISH A SEPARATE SUBSIDIARY COMPANY FOR THE PURPOSE OF PROVIDING FEE-FOR-SERVICE SERVICES OUTSIDE OF THE FEDERALLY QUALIFIED HEALTH CENTER'S STANDARD COST REPORT IF:

(I) THE SUBSIDIARY IS PROVIDING FEE-FOR-SERVICE SERVICES THAT HAVE HISTORICALLY BEEN PROVIDED AND REIMBURSED ON A FEE-FOR-SERVICE BASIS; AND

(II) THE STATE DEPARTMENT DETERMINES THAT THE SUBSIDIARY'S REIMBURSEMENTS WOULD BE BUDGET NEUTRAL.

(b) UPON RECEIVING ANY NECESSARY FEDERAL AUTHORIZATION, THE STATE DEPARTMENT SHALL REIMBURSE A SUBSIDIARY COMPANY, AS DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION, ON A FEE-FOR-SERVICE BASIS FOR SERVICES THAT ARE ELIGIBLE FOR FEE-FOR-SERVICE REIMBURSEMENT.

(c) A SUBSIDIARY THAT RECEIVES REIMBURSEMENT PURSUANT TO THIS SECTION MAY PASS THROUGH MONEY RECEIVED FROM THE REIMBURSEMENT DIRECTLY TO THE FEDERALLY QUALIFIED HEALTH CENTER OPERATING AS THE SUBSIDIARY'S PARENT CORPORATION.

(d) (I) THE STATE DEPARTMENT SHALL EXCLUDE ALL COSTS ASSOCIATED WITH A SUBSIDIARY COMPANY ESTABLISHED PURSUANT TO THIS SUBSECTION (2) FROM THE CALCULATION OF A FEDERALLY QUALIFIED HEALTH CENTER'S REIMBURSEMENT RATES.

(II) THE STATE DEPARTMENT SHALL REQUIRE A FEDERALLY QUALIFIED HEALTH CENTER THAT ESTABLISHES A SEPARATE SUBSIDIARY COMPANY PURSUANT TO THIS SUBSECTION (2) TO INCLUDE THE COSTS ASSOCIATED WITH THE SUBSIDIARY IN ITS COST REPORT THAT IS NECESSARY TO CALCULATE REIMBURSEMENT RATES.

~~(2)~~ (3) The state department shall promulgate rules to implement the provisions of this section.

SECTION 4. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 27, 2025