

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 19-0686.01 Jerry Barry x4341

HOUSE BILL 19-1237

HOUSE SPONSORSHIP

Cutter and Will, Arndt, Benavidez, Bird, Buckner, Buentello, Caraveo, Duran, Exum, Galindo, Gonzales-Gutierrez, Gray, Hooton, Jackson, Jaquez Lewis, Kennedy, Kipp, McCluskie, McLachlan, Michaelson Jenet, Titone

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A BILL FOR AN ACT

101 **CONCERNING LICENSING BEHAVIORAL HEALTH ENTITIES, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Currently, certain entities that provide behavioral health services must hold various licenses issued by the department of public health and environment (DPHE) or the department of human services (DHS). The bill combines the various licenses into a single license as a behavioral health entity (BHE) and authorizes the state board of health to promulgate rules for the new license.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
April 19, 2019

HOUSE
Amended 2nd Reading
April 18, 2019

To accomplish the transition, the bill establishes a behavioral health entity implementation and advisory committee consisting of executive directors of certain state departments, or the director's designee, and representatives from various stakeholder groups.

The bill requires a BHE that was previously licensed by DPHE to obtain a BHE license by July 1, 2022. It requires a BHE that was previously licensed or approved by DHS to obtain a BHE license by July 1, 2024.

The bill makes conforming amendments, some of which have later effective dates.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 27.6 to
3 title 25 as follows:

4 **ARTICLE 27.6**

5 **Behavioral Health Entities**

6 **25-27.6-101. Legislative declaration.** (1) THE GENERAL
7 ASSEMBLY DECLARES THAT IN ORDER TO PROMOTE THE PUBLIC HEALTH
8 AND WELFARE OF THE PEOPLE OF COLORADO, IT IS IN THE PUBLIC INTEREST
9 TO ESTABLISH AND STREAMLINE MINIMUM STANDARDS AND RULES FOR
10 BEHAVIORAL HEALTH ENTITIES OPERATING IN THE STATE OF COLORADO
11 AND TO PROVIDE THE AUTHORITY FOR THE ADMINISTRATION AND
12 ENFORCEMENT OF SUCH MINIMUM STANDARDS AND RULES. THESE
13 STANDARDS AND RULES MUST BE SUFFICIENT TO ENSURE THE HEALTH,
14 SAFETY, AND WELFARE OF BEHAVIORAL HEALTH ENTITY CONSUMERS.

15 (2) THE INTENT OF CREATING THE BEHAVIORAL HEALTH ENTITY
16 LICENSE IS TO:

17 (a) PROVIDE A SINGLE, FLEXIBLE LICENSE CATEGORY UNDER
18 WHICH COMMUNITY-BASED BEHAVIORAL HEALTH SERVICE PROVIDERS CAN
19 PROVIDE INTEGRATED MENTAL HEALTH DISORDER, ALCOHOL USE
20 DISORDER, AND SUBSTANCE USE DISORDER SERVICES AND MEET A

1 CONSUMER'S CONTINUUM OF NEEDS, FROM CRISIS STABILIZATION TO
2 ONGOING TREATMENT;

3 (b) PROVIDE A REGULATORY FRAMEWORK FOR INNOVATIVE
4 BEHAVIORAL HEALTH SERVICE DELIVERY MODELS TO MEET THE NEEDS OF
5 BOTH INDIVIDUALS AND COMMUNITIES;

6 (c) INCREASE PARITY IN THE OVERSIGHT AND PROTECTION OF
7 CONSUMERS' HEALTH, SAFETY, AND WELFARE BETWEEN PHYSICAL HEALTH
8 AND BEHAVIORAL HEALTH REGARDLESS OF THE PAYMENT SOURCE; AND

9 (d) STREAMLINE AND CONSOLIDATE THE CURRENT REGULATORY
10 STRUCTURE TO ENHANCE COMMUNITY PROVIDERS' ABILITY TO DELIVER
11 TIMELY AND NEEDED SERVICES, WHILE ENSURING CONSUMER SAFETY.

12 (3) FURTHER, THE GENERAL ASSEMBLY DETERMINES AND
13 DECLARES THAT, IN ADMINISTERING AND ENFORCING STANDARDS FOR
14 BEHAVIORAL HEALTH ENTITIES, THE DEPARTMENT OF PUBLIC HEALTH AND
15 ENVIRONMENT SHOULD FOCUS ON BEHAVIORAL HEALTH ENTITY
16 CONSUMER SAFETY AND OUTCOMES; REDUCING REGULATORY GAPS,
17 DUPLICATION, AND CONFLICTS THAT HINDER ACCESS TO CARE; AND
18 ALLOWING FOR NEW, INNOVATIVE BEHAVIORAL HEALTH SERVICE TYPES
19 WITH MINIMAL BARRIERS.

20 (4) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
21 BEHAVIORAL HEALTH ENTITY LICENSE IS IMPLEMENTED IN TWO SEPARATE
22 PHASES AS FOLLOWS:

23 (a) PHASE ONE IMPLEMENTATION INCLUDES THE INCORPORATION
24 OF A FACILITY CURRENTLY LICENSED OR PREVIOUSLY ELIGIBLE FOR
25 LICENSURE AS AN ACUTE TREATMENT UNIT OR AS A COMMUNITY MENTAL
26 HEALTH CENTER, COMMUNITY MENTAL HEALTH CLINIC, OR CRISIS
27 STABILIZATION UNIT THAT WAS LICENSED AS A COMMUNITY CLINIC. SUCH

1 A FACILITY WILL TRANSITION TO THE BEHAVIORAL HEALTH ENTITY
2 LICENSE NO LATER THAN JULY 1, 2022, IN ACCORDANCE WITH SECTION
3 25-27.6-104 (1).

4 (b) PHASE TWO IMPLEMENTATION INCLUDES THE INCORPORATION
5 OF BEHAVIORAL HEALTH ENTITIES THAT PROVIDE BEHAVIORAL HEALTH
6 SERVICES FOR THE TREATMENT OF ALCOHOL USE DISORDERS AND
7 SUBSTANCE USE DISORDERS; EXCEPT THAT PHASE TWO SHALL NOT
8 INCLUDE CONTROLLED SUBSTANCE LICENSES CURRENTLY ISSUED BY THE
9 DEPARTMENT OF HUMAN SERVICES, WHICH SHALL BE STUDIED BY THE
10 BEHAVIORAL HEALTH ENTITY IMPLEMENTATION AND ADVISORY
11 COMMITTEE ESTABLISHED PURSUANT TO SECTION 25-27.6-103. SUCH
12 ENTITIES SHALL APPLY FOR LICENSURE AS BEHAVIORAL HEALTH ENTITIES
13 NO LATER THAN JULY 1, 2024, IN ACCORDANCE WITH SECTION 25-27.6-104
14 (1).

15 **25-27.6-102. Definitions.** AS USED IN THIS ARTICLE 27.6, UNLESS
16 THE CONTEXT OTHERWISE REQUIRES:

17 (1) "ACUTE TREATMENT UNIT" MEANS A FACILITY OR A DISTINCT
18 PART OF A FACILITY FOR SHORT-TERM PSYCHIATRIC CARE, WHICH MAY
19 INCLUDE TREATMENT FOR SUBSTANCE USE DISORDERS, THAT PROVIDES A
20 TOTAL, TWENTY-FOUR-HOUR, THERAPEUTICALLY PLANNED AND
21 PROFESSIONALLY STAFFED ENVIRONMENT FOR PERSONS WHO DO NOT
22 REQUIRE INPATIENT HOSPITALIZATION BUT NEED MORE INTENSE AND
23 INDIVIDUAL SERVICES THAN ARE AVAILABLE ON AN OUTPATIENT BASIS,
24 SUCH AS CRISIS MANAGEMENT AND STABILIZATION SERVICES.

25 (2) "ALCOHOL USE DISORDER" MEANS A CHRONIC RELAPSING
26 BRAIN DISEASE CHARACTERIZED BY RECURRENT USE OF ALCOHOL CAUSING
27 CLINICALLY SIGNIFICANT IMPAIRMENT, INCLUDING HEALTH PROBLEMS,

1 DISABILITY, AND FAILURE TO MEET MAJOR RESPONSIBILITIES AT WORK,
2 SCHOOL, AND HOME.

3 (3) "ALCOHOL USE DISORDER PROGRAM" MEANS A PROGRAM FOR
4 DIAGNOSIS, TREATMENT, AND REHABILITATION OF A PERSON WITH AN
5 ALCOHOL USE DISORDER.

6 (4) "BEHAVIORAL HEALTH" REFERS TO AN INDIVIDUAL'S MENTAL
7 AND EMOTIONAL WELL-BEING AND ACTIONS THAT AFFECT AN INDIVIDUAL'S
8 OVERALL WELLNESS. BEHAVIORAL HEALTH ISSUES AND DISORDERS
9 INCLUDE SUBSTANCE USE DISORDERS, SERIOUS PSYCHOLOGICAL DISTRESS,
10 SUICIDE, AND OTHER MENTAL HEALTH DISORDERS, AND RANGE FROM
11 UNHEALTHY STRESS OR SUBCLINICAL CONDITIONS TO DIAGNOSABLE AND
12 TREATABLE DISEASES. THE TERM "BEHAVIORAL HEALTH" IS ALSO USED TO
13 DESCRIBE SERVICE SYSTEMS THAT ENCOMPASS PREVENTION AND
14 PROMOTION OF EMOTIONAL HEALTH AND PREVENTION AND TREATMENT
15 SERVICES FOR MENTAL HEALTH AND SUBSTANCE USE DISORDERS.

16 (5) "BEHAVIORAL HEALTH DISORDER" MEANS ONE OR MORE OF THE
17 FOLLOWING:

18 (a) AN ALCOHOL USE DISORDER AS DEFINED IN SUBSECTION (2) OF
19 THIS SECTION;

20 (b) A MENTAL HEALTH DISORDER, AS DEFINED IN SUBSECTION (12)
21 OF THIS SECTION; OR

22 (c) A SUBSTANCE USE DISORDER, AS DEFINED IN SUBSECTION (14)
23 OF THIS SECTION.

24 (6) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
25 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
26 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
27 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE

1 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
2 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
3 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

4 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
5 26-6-102 (33); OR

6 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
7 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
8 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

9 (7) "COMMUNITY-BASED" MEANS OUTSIDE OF A HOSPITAL,
10 PSYCHIATRIC HOSPITAL, OR NURSING HOME.

11 (8) "COMMUNITY MENTAL HEALTH CENTER" HAS THE SAME
12 MEANING AS DEFINED IN SECTION 27-66-101 (2).

13 (9) "COMMUNITY MENTAL HEALTH CLINIC" MEANS A HEALTH
14 INSTITUTION PLANNED, ORGANIZED, OPERATED, AND MAINTAINED TO
15 PROVIDE BASIC COMMUNITY SERVICES FOR THE PREVENTION, DIAGNOSIS,
16 AND TREATMENT OF EMOTIONAL, BEHAVIORAL, OR MENTAL HEALTH
17 DISORDERS, SUCH SERVICES BEING RENDERED PRIMARILY ON AN
18 OUTPATIENT AND CONSULTATIVE BASIS.

19 (10) "CRISIS STABILIZATION UNIT" MEANS A FACILITY THAT
20 PROVIDES SHORT-TERM, BED-BASED CRISIS STABILIZATION SERVICES IN A
21 TWENTY-FOUR-HOUR ENVIRONMENT FOR INDIVIDUALS WHO CANNOT BE
22 SERVED IN A LESS RESTRICTIVE ENVIRONMENT.

23 (11) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
24 PUBLIC HEALTH AND ENVIRONMENT.

25 (12) "MENTAL HEALTH DISORDER" MEANS ONE OR MORE
26 SUBSTANTIAL DISORDERS OF THE COGNITIVE, VOLITIONAL, OR EMOTIONAL
27 PROCESSES THAT GROSSLY IMPAIRS JUDGMENT OR CAPACITY TO

1 RECOGNIZE REALITY OR TO CONTROL BEHAVIOR. AN INTELLECTUAL OR
2 DEVELOPMENTAL DISABILITY ALONE IS INSUFFICIENT TO EITHER JUSTIFY
3 OR EXCLUDE A FINDING OF A MENTAL HEALTH DISORDER.

4 (13) "STATE BOARD" MEANS THE STATE BOARD OF HEALTH.

5 (14) "SUBSTANCE USE DISORDER" MEANS A CHRONIC RELAPSING
6 BRAIN DISEASE, CHARACTERIZED BY RECURRENT USE OF ALCOHOL, DRUGS,
7 OR BOTH, CAUSING CLINICALLY SIGNIFICANT IMPAIRMENT, INCLUDING
8 HEALTH PROBLEMS, DISABILITY, AND FAILURE TO MEET MAJOR
9 RESPONSIBILITIES AT WORK, SCHOOL, OR HOME.

10 (15) "SUBSTANCE USE DISORDER PROGRAM" MEANS A PROGRAM
11 FOR THE DETOXIFICATION, WITHDRAWAL, OR MAINTENANCE TREATMENT
12 OF A PERSON WITH A SUBSTANCE USE DISORDER.

13 **25-27.6-103. Behavioral health entity implementation and**
14 **advisory committee - creation - membership - duties - repeal.**

15 (1) THERE IS ESTABLISHED IN THE DEPARTMENT THE BEHAVIORAL HEALTH
16 ENTITY IMPLEMENTATION AND ADVISORY COMMITTEE, REFERRED TO IN
17 THIS SECTION AS THE "COMMITTEE". THE COMMITTEE SHALL:

18 (a) OFFER ADVICE TO THE DEPARTMENT AND THE STATE BOARD
19 CONCERNING THE PHASED-IN IMPLEMENTATION OF THE BEHAVIORAL
20 HEALTH ENTITY LICENSE, RULES PROMULGATED BY THE STATE BOARD
21 PURSUANT TO THIS ARTICLE 27.6, AND IMPLEMENTATION OF THE
22 BEHAVIORAL HEALTH ENTITY LICENSING TRANSITION;

23 (b) PROVIDE ONGOING ADVICE TO THE DEPARTMENT REGARDING
24 BEHAVIORAL HEALTH ENTITIES AND BEHAVIORAL HEALTH ENTITY
25 LICENSING; AND

26 (c) IDENTIFY A COORDINATED AND ALIGNED PROCESS OF SHARING
27 INFORMATION ACROSS STATE DEPARTMENTS TO ENSURE BEHAVIORAL

1 HEALTH SERVICES ARE AVAILABLE TO ALL RESIDENTS OF COLORADO.

2 (2) (a) THE COMMITTEE CONSISTS OF:

3 (I) THE EXECUTIVE DIRECTORS OF THE DEPARTMENTS OF PUBLIC
4 HEALTH AND ENVIRONMENT, HUMAN SERVICES, HEALTH CARE POLICY AND
5 FINANCING, AND PUBLIC SAFETY OR THEIR DESIGNEES; AND

6 (II) THE FOLLOWING MEMBERS TO BE APPOINTED BY THE
7 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND
8 ENVIRONMENT:

9 (A) ONE MEMBER THAT REPRESENTS CRISIS STABILIZATION UNITS
10 OR ACUTE TREATMENT UNITS;

11 (B) ONE MEMBER THAT REPRESENTS COMMUNITY MENTAL HEALTH
12 CENTERS;

13 (C) ONE MEMBER THAT REPRESENTS A MENTAL HEALTH PROVIDER
14 THAT IS NOT A COMMUNITY MENTAL HEALTH CENTER;

15 (D) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE
16 USE DISORDER TREATMENT SERVICES THAT IS NOT A COMMUNITY HEALTH
17 CENTER;

18 (E) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE
19 USE DISORDER WITHDRAWAL MANAGEMENT SERVICES THAT IS NOT A
20 COMMUNITY HEALTH CENTER;

21 (F) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE
22 USE DISORDER SERVICES THAT MEETS THE DEFINITION OF BEHAVIORAL
23 HEALTH ENTITY IN SECTION 25-27.6-102 (6) BUT HAS NOT BEEN SUBJECT
24 TO LICENSURE BY THE DEPARTMENT;

25 (G) ONE MEMBER THAT REPRESENTS A SUBSTANCE USE
26 TREATMENT PROVIDER FROM A RURAL OR FRONTIER COUNTY;

27 (H) ONE MEMBER WHO IS A CONSUMER WHO HAS EXPERIENCE

1 LIVING WITH A SUBSTANCE USE DISORDER;

2 (I) ONE MEMBER THAT REPRESENTS BEHAVIORAL HEALTH
3 CONSUMERS;

4 (J) ONE MEMBER THAT REPRESENTS FAMILY MEMBERS OF PERSONS
5 WITH A BEHAVIORAL HEALTH DISORDER; AND

6 (K) ONE MEMBER FROM AN ADVOCACY ORGANIZATION THAT
7 REPRESENTS BEHAVIORAL HEALTH CONSUMERS.

8 (b) IN MAKING THE APPOINTMENTS PURSUANT TO SUBSECTION
9 (2)(a)(II), THE EXECUTIVE DIRECTOR SHALL CONSIDER THE GEOGRAPHIC
10 DIVERSITY OF THE STATE.

11 (3) THE EXECUTIVE DIRECTORS SHALL AGREE TO SERVE OR MAKE
12 THEIR DESIGNATIONS NO LATER THAN SEPTEMBER 1, 2019. THE
13 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND
14 ENVIRONMENT SHALL MAKE HIS OR HER INITIAL APPOINTMENTS BY
15 OCTOBER 1, 2019. IN CASE OF A VACANCY, AN EXECUTIVE DIRECTOR
16 SHALL AGREE TO SERVE OR MAKE A DESIGNATION, AND THE EXECUTIVE
17 DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
18 SHALL MAKE THE REPLACEMENT APPOINTMENT AS SOON AS PRACTICABLE.

19 (4) MEMBERS OF THE COMMITTEE SERVE ON A VOLUNTARY BASIS
20 AND SERVE WITHOUT COMPENSATION; EXCEPT THAT MEMBERS ARE
21 REIMBURSED FOR THE ACTUAL AND REASONABLE EXPENSES INCURRED
22 WHILE PERFORMING THEIR DUTIES.

23 (5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.
24 BEFORE THE REPEAL, THE COMMITTEE IS SCHEDULED FOR REVIEW IN
25 ACCORDANCE WITH SECTION 2-3-1203.

26 **25-27.6-104. License required - criminal and civil penalties.**

27 (1) (a) ON OR AFTER JULY 1, 2022, IT IS UNLAWFUL FOR ANY PERSON,

1 PARTNERSHIP, ASSOCIATION, OR CORPORATION TO CONDUCT OR MAINTAIN
2 A BEHAVIORAL HEALTH ENTITY WITHOUT HAVING OBTAINED A LICENSE
3 FROM THE DEPARTMENT.

4 (b) ON OR AFTER JULY 1, 2021, AN ENTITY SEEKING INITIAL
5 LICENSURE AS A BEHAVIORAL HEALTH ENTITY SHALL APPLY FOR A
6 BEHAVIORAL HEALTH ENTITY LICENSE IF THE ENTITY WOULD PREVIOUSLY
7 HAVE BEEN LICENSED AS AN ACUTE TREATMENT UNIT OR AS A COMMUNITY
8 MENTAL HEALTH CENTER, COMMUNITY MENTAL HEALTH CLINIC, OR CRISIS
9 STABILIZATION UNIT LICENSED AS A COMMUNITY CLINIC.

10 (c) A FACILITY LICENSED AS OF JUNE 30, 2021, AS AN ACUTE
11 TREATMENT UNIT, COMMUNITY MENTAL HEALTH CENTER, COMMUNITY
12 MENTAL HEALTH CLINIC, OR CRISIS STABILIZATION UNIT LICENSED AS A
13 COMMUNITY CLINIC SHALL APPLY FOR A BEHAVIORAL HEALTH ENTITY
14 LICENSE PRIOR TO THE EXPIRATION OF THE FACILITY'S CURRENT LICENSE.
15 SUCH A FACILITY IS SUBJECT TO THE STANDARDS UNDER WHICH IT IS
16 LICENSED AS OF JULY 1, 2021, UNTIL SUCH TIME AS THE BEHAVIORAL
17 HEALTH ENTITY LICENSE IS ISSUED.

18 (2) ANY PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION
19 IS GUILTY OF A MISDEMEANOR, AND UPON CONVICTION THEREOF, SHALL
20 BE PUNISHED BY A FINE OF NOT LESS THAN FIFTY DOLLARS NOR MORE
21 THAN FIVE HUNDRED DOLLARS AND MAY BE SUBJECT TO A CIVIL PENALTY
22 ASSESSED BY THE DEPARTMENT OF NOT LESS THAN FIFTY DOLLARS NOR
23 MORE THAN ONE HUNDRED DOLLARS FOR EACH DAY THE PERSON IS IN
24 VIOLATION OF THIS SECTION. THE ASSESSED PENALTY ACCRUES FROM THE
25 DATE THE DEPARTMENT FINDS THAT THE PERSON IS IN VIOLATION OF THIS
26 SECTION. THE DEPARTMENT SHALL ASSESS, ENFORCE, AND COLLECT THE
27 PENALTY IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24 AND CREDIT THE

1 MONEY TO THE GENERAL FUND. ENFORCEMENT AND COLLECTION OF THE
2 PENALTY OCCURS FOLLOWING THE DECISION REACHED IN ACCORDANCE
3 WITH PROCEDURES SET FORTH IN SECTION 24-4-105.

4 **25-27.6-105. Minimum standards for behavioral health**
5 **entities - rules.** (1) ON OR BEFORE APRIL 30, 2021, THE STATE BOARD
6 SHALL PROMULGATE RULES PURSUANT TO SECTION 24-4-103 PROVIDING
7 MINIMUM STANDARDS FOR THE OPERATION OF BEHAVIORAL HEALTH
8 ENTITIES WITHIN THE STATE. IN PROMULGATING THE RULES, THE STATE
9 BOARD SHALL ESTABLISH REQUIREMENTS APPROPRIATE TO THE VARIOUS
10 TYPES OF SERVICES PROVIDED BY BEHAVIORAL HEALTH ENTITIES.

11 (2) ON OR BEFORE APRIL 30, 2021, THE STATE BOARD SHALL
12 PROMULGATE RULES THAT MUST INCLUDE THE FOLLOWING:

13 (a) BASIC REQUIREMENTS TO BE MET BY ALL BEHAVIORAL HEALTH
14 ENTITIES TO ENSURE THE HEALTH, SAFETY, AND WELFARE OF ALL
15 BEHAVIORAL HEALTH ENTITY CONSUMERS, INCLUDING, AT A MINIMUM:

16 (I) CONSUMER ASSESSMENT, CARE COORDINATION, PATIENT
17 RIGHTS, AND CONSUMER NOTICE REQUIREMENTS;

18 (II) ADMINISTRATIVE AND OPERATIONAL STANDARDS FOR
19 GOVERNANCE; CONSUMER RECORDS AND RECORD RETENTION; PERSONNEL,
20 ADMISSION, AND DISCHARGE CRITERIA; POLICIES AND PROCEDURES; AND
21 QUALITY MANAGEMENT;

22 (III) PHYSICAL PLANT STANDARDS, INCLUDING INFECTION
23 CONTROL; AND

24 (IV) OCCURRENCE REPORTING REQUIREMENTS PROMULGATED
25 PURSUANT TO SECTION 25-1-124;

26 (b) SERVICE-SPECIFIC REQUIREMENTS THAT APPLY ONLY TO
27 BEHAVIORAL HEALTH ENTITIES ELECTING TO PROVIDE THAT SERVICE,

1 INCLUDING, AT A MINIMUM, STANDARDS FOR THE SERVICES INCLUDED IN
2 THE DEFINITIONS IN SECTION 25-27.6-102 OF ACUTE TREATMENT UNIT,
3 COMMUNITY MENTAL HEALTH CENTER, COMMUNITY MENTAL HEALTH
4 CLINIC, CRISIS STABILIZATION UNIT, AND WALK-IN CENTERS THAT MEET
5 THE REGULATORY REQUIREMENTS FOR LICENSING AND OPERATIONS;

6 (c) MANDATORY DEPARTMENT INSPECTIONS OF BEHAVIORAL
7 HEALTH ENTITIES;

8 (d) BEHAVIORAL HEALTH ENTITY WRITTEN PLANS, DETAILING THE
9 MEASURES THAT WILL BE TAKEN TO CORRECT VIOLATIONS FOUND AS A
10 RESULT OF INSPECTIONS, SUBMITTED TO THE DEPARTMENT FOR APPROVAL;

11 (e) INTERMEDIATE ENFORCEMENT REMEDIES IMPOSED BY THE
12 DEPARTMENT AS AUTHORIZED IN SECTION 25-27.6-110 (2)(b);

13 (f) FACTORS FOR BEHAVIORAL HEALTH ENTITIES TO CONSIDER
14 WHEN DETERMINING WHETHER AN APPLICANT'S CONVICTION OF OR PLEA
15 OF GUILTY OR NOLO CONTENDERE TO AN OFFENSE DISQUALIFIES THE
16 APPLICANT FROM EMPLOYMENT WITH THE BEHAVIORAL HEALTH ENTITY.
17 THE STATE BOARD MAY DETERMINE WHICH OFFENSES REQUIRE
18 CONSIDERATION OF THESE FACTORS.

19 (g) TIMELINES FOR COMPLIANCE WITH BEHAVIORAL HEALTH
20 ENTITY STANDARDS THAT EXCEED THE STANDARDS UNDER WHICH A
21 BEHAVIORAL HEALTH ENTITY WAS PREVIOUSLY LICENSED OR APPROVED.

22 **25-27.6-106. License - application - inspection - issuance.**

23 (1) AN APPLICATION FOR A LICENSE TO OPERATE A BEHAVIORAL HEALTH
24 ENTITY MUST BE SUBMITTED TO THE DEPARTMENT ANNUALLY UPON THE
25 FORM AND IN THE MANNER AS PRESCRIBED BY THE DEPARTMENT.

26 (2) (a) (I) THE DEPARTMENT SHALL INVESTIGATE AND REVIEW
27 EACH ORIGINAL APPLICATION AND EACH RENEWAL APPLICATION FOR A

1 LICENSE TO OPERATE A BEHAVIORAL HEALTH ENTITY. THE DEPARTMENT
2 SHALL DETERMINE AN APPLICANT'S COMPLIANCE WITH THIS ARTICLE 27.6
3 AND THE RULES ADOPTED PURSUANT TO SECTION 25-27.6-105 BEFORE THE
4 DEPARTMENT ISSUES A LICENSE.

5 (II) THE DEPARTMENT SHALL MAKE INSPECTIONS OF THE
6 APPLICANT'S FACILITIES AS IT DEEMS NECESSARY TO ENSURE THAT THE
7 HEALTH, SAFETY, AND WELFARE OF THE BEHAVIORAL HEALTH ENTITY'S
8 CONSUMERS ARE BEING PROTECTED. THE BEHAVIORAL HEALTH ENTITY
9 SHALL SUBMIT IN WRITING, IN A FORM PRESCRIBED BY THE DEPARTMENT,
10 A PLAN DETAILING THE MEASURES THAT WILL BE TAKEN TO CORRECT ANY
11 VIOLATIONS FOUND BY THE DEPARTMENT AS A RESULT OF INSPECTIONS
12 UNDERTAKEN PURSUANT TO THIS SUBSECTION (2).

13 (b) THE DEPARTMENT SHALL KEEP ALL HEALTH CARE
14 INFORMATION OR DOCUMENTS OBTAINED DURING AN INSPECTION OR
15 INVESTIGATION OF A BEHAVIORAL HEALTH ENTITY PURSUANT TO
16 SUBSECTION (2)(a) OF THIS SECTION CONFIDENTIAL. ALL RECORDS,
17 INFORMATION, OR DOCUMENTS SO OBTAINED ARE EXEMPT FROM
18 DISCLOSURE PURSUANT TO SECTIONS 24-72-204 AND 25-1-124.

19 (3) (a) WITH THE SUBMISSION OF AN APPLICATION FOR A LICENSE
20 TO OPERATE A BEHAVIORAL HEALTH ENTITY, OR WITHIN TEN DAYS AFTER
21 A CHANGE IN OWNER OR MANAGER OF A BEHAVIORAL HEALTH ENTITY,
22 EACH OWNER AND MANAGER SHALL SUBMIT A COMPLETE SET OF HIS OR
23 HER FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
24 PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL HISTORY
25 RECORD CHECK. THE COLORADO BUREAU OF INVESTIGATION SHALL
26 FORWARD THE FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION
27 FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY

1 RECORD CHECKS. EACH OWNER AND EACH MANAGER SHALL PAY THE
2 BUREAU THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED CRIMINAL
3 HISTORY RECORD CHECK. UPON COMPLETION OF THE CRIMINAL HISTORY
4 RECORD CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO THE
5 DEPARTMENT. THE DEPARTMENT MAY ACQUIRE A NAME-BASED CRIMINAL
6 HISTORY RECORD CHECK FOR AN APPLICANT WHO HAS TWICE SUBMITTED
7 TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE
8 FINGERPRINTS ARE UNCLASSIFIABLE.

9 (b) THE DEPARTMENT SHALL USE THE INFORMATION FROM THE
10 CRIMINAL HISTORY RECORD CHECKS PERFORMED PURSUANT TO
11 SUBSECTION (3)(a) OF THIS SECTION TO DETERMINE WHETHER THE PERSON
12 APPLYING FOR LICENSURE HAS BEEN CONVICTED OF A FELONY OR
13 MISDEMEANOR THAT INVOLVES CONDUCT THAT THE DEPARTMENT
14 DETERMINES COULD POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF
15 BEHAVIORAL HEALTH ENTITY CONSUMERS. THE DEPARTMENT SHALL KEEP
16 INFORMATION OBTAINED IN ACCORDANCE WITH THIS SECTION
17 CONFIDENTIAL.

18 (4) THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO OPERATE A
19 BEHAVIORAL HEALTH ENTITY IF THE OWNER OR MANAGER OF THE
20 BEHAVIORAL HEALTH ENTITY HAS BEEN CONVICTED OF A FELONY OR
21 MISDEMEANOR THAT INVOLVES CONDUCT THAT THE DEPARTMENT
22 DETERMINES COULD POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF
23 THE BEHAVIORAL HEALTH ENTITY'S CONSUMERS.

24 (5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS
25 SECTION, THE DEPARTMENT SHALL ISSUE OR RENEW A LICENSE TO
26 OPERATE A BEHAVIORAL HEALTH ENTITY WHEN IT IS SATISFIED THAT THE
27 APPLICANT OR LICENSEE IS IN COMPLIANCE WITH THE REQUIREMENTS SET

1 FORTH IN THIS ARTICLE 27.6 AND THE RULES PROMULGATED PURSUANT TO
2 THIS ARTICLE 27.6. EXCEPT FOR PROVISIONAL LICENSES ISSUED IN
3 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION, A LICENSE ISSUED
4 OR RENEWED PURSUANT TO THIS SECTION EXPIRES ONE YEAR AFTER THE
5 DATE OF ISSUANCE OR RENEWAL.

6 (6) THE DEPARTMENT MAY ISSUE A PROVISIONAL LICENSE TO
7 OPERATE A BEHAVIORAL HEALTH ENTITY TO AN APPLICANT FOR THE
8 PURPOSE OF OPERATING A BEHAVIORAL HEALTH ENTITY FOR A PERIOD OF
9 NINETY DAYS IF THE APPLICANT IS TEMPORARILY UNABLE TO CONFORM TO
10 ALL OF THE MINIMUM STANDARDS REQUIRED PURSUANT TO THIS ARTICLE
11 27.6; EXCEPT THAT THE DEPARTMENT SHALL NOT ISSUE A PROVISIONAL
12 LICENSE TO AN APPLICANT IF THE OPERATION OF THE BEHAVIORAL HEALTH
13 ENTITY WILL ADVERSELY AFFECT THE HEALTH, SAFETY, OR WELFARE OF
14 THE CONSUMERS OF THE BEHAVIORAL HEALTH ENTITY. AS A CONDITION
15 OF OBTAINING A PROVISIONAL LICENSE, THE APPLICANT SHALL SHOW
16 PROOF TO THE DEPARTMENT THAT ATTEMPTS ARE BEING MADE TO
17 CONFORM AND COMPLY WITH THE APPLICABLE STANDARDS REQUIRED
18 PURSUANT TO THIS ARTICLE 27.6. THE DEPARTMENT SHALL NOT GRANT A
19 PROVISIONAL LICENSE PRIOR TO THE COMPLETION OF A CRIMINAL
20 BACKGROUND CHECK IN ACCORDANCE WITH SUBSECTION (3) OF THIS
21 SECTION AND A DETERMINATION IN ACCORDANCE WITH SUBSECTION (4) OF
22 THIS SECTION. A SECOND PROVISIONAL LICENSE MAY BE ISSUED, FOR A
23 LIKE TERM AND FEE, TO EFFECT COMPLIANCE. NO FURTHER PROVISIONAL
24 LICENSES MAY BE ISSUED FOR THE CURRENT YEAR AFTER THE SECOND
25 ISSUANCE.

26 **25-27.6-107. License fees - rules.** (1) (a) BY APRIL 30, 2021, THE
27 STATE BOARD SHALL PROMULGATE RULES ESTABLISHING A SCHEDULE OF

1 FEES SUFFICIENT TO MEET THE DIRECT AND INDIRECT COSTS OF
2 ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE 27.6.

3 (b) THE DEPARTMENT SHALL ASSESS AND COLLECT, FROM
4 BEHAVIORAL HEALTH ENTITIES SUBJECT TO LICENSURE PURSUANT TO
5 SECTION 25-27.6-106, FEES IN ACCORDANCE WITH THE FEE SCHEDULE
6 ESTABLISHED BY THE STATE BOARD.

7 (2) THE DEPARTMENT SHALL TRANSMIT FEES COLLECTED
8 PURSUANT TO THIS SECTION TO THE STATE TREASURER, WHO SHALL
9 CREDIT THE MONEY TO THE BEHAVIORAL HEALTH ENTITY CASH FUND
10 CREATED IN SECTION 25-27.6-108.

11 (3) FEES COLLECTED PURSUANT TO SUBSECTION (1) OF THIS
12 SECTION MAY BE USED BY THE DEPARTMENT TO PROVIDE TECHNICAL
13 ASSISTANCE AND EDUCATION TO BEHAVIORAL HEALTH ENTITIES RELATED
14 TO COMPLIANCE WITH COLORADO LAW, IN ADDITION TO REGULATORY AND
15 ADMINISTRATIVE FUNCTIONS. THE DEPARTMENT MAY CONTRACT WITH
16 PRIVATE ENTITIES TO ASSIST THE DEPARTMENT IN PROVIDING TECHNICAL
17 ASSISTANCE AND EDUCATION.

18 **25-27.6-108. Behavioral health entity cash fund - created.** THE
19 BEHAVIORAL HEALTH ENTITY CASH FUND, REFERRED TO IN THE SECTION
20 AS THE "FUND", IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS
21 OF MONEY CREDITED TO THE FUND PURSUANT TO SECTION 25-27.6-107.
22 THE MONEY IN THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY THE
23 GENERAL ASSEMBLY FOR THE DIRECT AND INDIRECT COSTS OF THE
24 DEPARTMENT IN PERFORMING ITS DUTIES PURSUANT TO THIS ARTICLE 27.6.
25 AT THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED
26 MONEY IN THE FUND REMAINS IN THE FUND AND MUST NOT BE CREDITED
27 OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND.

1 **25-27.6-109. Employee or contracted service provider criminal**
2 **history record check - rules.** A BEHAVIORAL HEALTH ENTITY SHALL
3 REQUIRE AN APPLICANT SEEKING EMPLOYMENT WITH OR SEEKING TO
4 CONTRACT TO PROVIDE SERVICES TO THE BEHAVIORAL HEALTH ENTITY TO
5 SUBMIT TO A CRIMINAL HISTORY RECORD CHECK BEFORE EMPLOYMENT OR
6 EXECUTION OF A CONTRACT. THE BEHAVIORAL HEALTH ENTITY SHALL PAY
7 THE COSTS OF THE CRIMINAL HISTORY RECORD CHECK. THE CRIMINAL
8 HISTORY RECORD CHECK MUST BE CONDUCTED NOT MORE THAN NINETY
9 DAYS BEFORE THE EMPLOYMENT OF OR CONTRACT WITH THE APPLICANT.

10 **25-27.6-110. License denial, suspension, or revocation.**

11 (1) WHEN AN APPLICATION FOR AN INITIAL LICENSE PURSUANT TO
12 SECTION 25-27.6-106 HAS BEEN DENIED BY THE DEPARTMENT, THE
13 DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING OF THE DENIAL BY
14 MAILING A NOTICE TO THE APPLICANT AT THE ADDRESS SHOWN ON THE
15 APPLICATION. ANY APPLICANT AGGRIEVED BY A DENIAL MAY PURSUE A
16 REVIEW AS PROVIDED IN ARTICLE 4 OF TITLE 24, AND THE DEPARTMENT
17 SHALL FOLLOW THE PROVISIONS AND PROCEDURES SPECIFIED IN ARTICLE
18 4 OF TITLE 24.

19 (2) (a) THE DEPARTMENT MAY SUSPEND, REVOKE, OR REFUSE TO
20 RENEW THE LICENSE OF ANY BEHAVIORAL HEALTH ENTITY THAT IS OUT OF
21 COMPLIANCE WITH THE REQUIREMENTS OF THIS ARTICLE 27.6 OR THE
22 RULES PROMULGATED THEREUNDER. SUSPENSION, REVOCATION, OR
23 REFUSAL MUST BE DONE AFTER A HEARING THEREON AND IN COMPLIANCE
24 WITH THE PROVISIONS AND PROCEDURES SPECIFIED IN ARTICLE 4 OF TITLE
25 24.

26 (b) (I) THE DEPARTMENT MAY IMPOSE INTERMEDIATE
27 RESTRICTIONS OR CONDITIONS ON A LICENSEE THAT OPERATES A

1 BEHAVIORAL HEALTH ENTITY THAT MAY INCLUDE ONE OR MORE OF THE
2 RESTRICTIONS OR CONDITIONS SPECIFIED IN SECTION 25-27-106 (2)(b).

3 (II) IF THE DEPARTMENT ASSESSES A CIVIL FINE PURSUANT TO THIS
4 SUBSECTION (2)(b), THE DEPARTMENT SHALL TRANSMIT THE MONEY TO
5 THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE GENERAL
6 FUND.

7 **25-27.6-111. Enforcement.** THE DEPARTMENT IS RESPONSIBLE FOR
8 THE ENFORCEMENT OF THIS ARTICLE 27.6 AND THE RULES ADOPTED
9 PURSUANT TO THIS ARTICLE 27.6.

10 **SECTION 2.** In Colorado Revised Statutes, **add** 27-60-107 as
11 follows:

12 **27-60-107. Behavioral health entity licenses - assistance -**
13 **transfer of staff.** (1) PURSUANT TO ARTICLE 27.6 OF TITLE 25, THERE IS
14 A BEHAVIORAL HEALTH ENTITY LICENSE ISSUED BY THE DEPARTMENT OF
15 PUBLIC HEALTH AND ENVIRONMENT. CERTAIN FACILITIES THAT ARE
16 LICENSED BY THE STATE DEPARTMENT WILL TRANSITION TO THE
17 BEHAVIORAL HEALTH ENTITY LICENSE ISSUED BY THE DEPARTMENT OF
18 PUBLIC HEALTH AND ENVIRONMENT. PRIOR TO THE TRANSITION, THE
19 OFFICE SHALL ASSIST THE DEPARTMENT OF PUBLIC HEALTH AND
20 ENVIRONMENT AND THE BEHAVIORAL HEALTH ENTITY IMPLEMENTATION
21 AND ADVISORY COMMITTEE ESTABLISHED IN SECTION 25-27.6-103 IN
22 DESIGNING AND IMPLEMENTING THE TRANSITION AND INFORMING
23 FACILITIES LICENSED BY THE STATE DEPARTMENT PRIOR TO THE
24 TRANSITION.

25 (2) WHEN ONE OR MORE TYPES OF LICENSES ARE TRANSITIONED TO
26 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, EMPLOYEES OF
27 THE OFFICE WHO WERE PREVIOUSLY RESPONSIBLE FOR ISSUING LICENSES

1 BY THE STATE DEPARTMENT MAY BE OFFERED POSITIONS IN THE
2 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN ACCORDANCE
3 WITH DEPARTMENT OF PERSONNEL RULES.

4 **SECTION 3.** In Colorado Revised Statutes, 25-3-102, **amend** (2)
5 as follows:

6 **25-3-102. License - application - issuance - certificate of**
7 **compliance required - repeal.** (2) (a) In the licensing of a community
8 mental health center, acute treatment unit, or clinic, satisfactory evidence
9 that the applicant is in compliance with the standards AND rules ~~and~~
10 ~~regulations~~ promulgated pursuant to section 27-66-102 C.R.S., shall be
11 IS required for licensure.

12 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2021.

13 **SECTION 4.** In Colorado Revised Statutes, **amend** 27-66-106 as
14 follows:

15 **27-66-106. Federal grants-in-aid - administration.** (1) The
16 department is designated the official mental health authority, and is
17 authorized to receive grants-in-aid from the federal government under the
18 provisions of 42 U.S.C. sec. 246, and shall administer said grants in
19 accordance therewith.

20 (2) THE DEPARTMENT SHALL CONTINUE TO FUND THE COSTS OF
21 LICENSING ACTIVITIES RELATED TO THE BEHAVIORAL HEALTH ENTITY
22 LICENSE ACROSS THE DEPARTMENT OF HUMAN SERVICES AND THE
23 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, LESS THE MONEY
24 COLLECTED BY THE BEHAVIORAL HEALTH ENTITY CASH FUND DEFINED IN
25 25-27.6-108 THROUGH JUNE 30, 2024.

26 **SECTION 5.** In Colorado Revised Statutes, 2-3-1203, **add**
27 (16)(a)(IV) as follows:

1 **2-3-1203. Sunset review of advisory committees - legislative**
2 **declaration - definition - repeal.** (16) (a) The following statutory
3 authorizations for the designated advisory committees will repeal on
4 September 1, 2025:

5 (IV) THE BEHAVIORAL HEALTH ENTITY IMPLEMENTATION AND
6 ADVISORY COMMITTEE, ESTABLISHED IN SECTION 25-27.6-103.

7 **SECTION 6.** In Colorado Revised Statutes, 24-33.5-1203,
8 **amend** (1)(p.5) as follows:

9 **24-33.5-1203. Duties of division.** (1) The division shall perform
10 the following duties:

11 (p.5) When there is no local building department or fire
12 department, or ~~when necessary~~ for facilities certified or ~~seeking~~
13 POTENTIALLY ELIGIBLE FOR certification by the federal centers for
14 medicare and medicaid services, conduct construction plan reviews and
15 inspections of health facility buildings and structures, enforce the codes
16 in accordance with sections 24-33.5-1212.5 and 24-33.5-1213, and issue
17 certificates of compliance for such buildings and structures;

18 **SECTION 7.** In Colorado Revised Statutes, **amend as added in**
19 **section 1 of this act**, 25-27.6-105 (2) introductory portion and (2)(b) as
20 follows:

21 **25-27.6-105. Minimum standards for behavioral health**
22 **entities - rules.** (2) On or before April 30, ~~2021~~ 2023, the state board
23 shall promulgate rules that must include the following:

24 (b) Service-specific requirements that apply only to behavioral
25 health entities electing to provide that service, including, at a minimum,
26 standards for the services included in the definitions in section
27 25-27.6-102 of acute treatment unit, community mental health center,

1 community mental health clinic, crisis stabilization unit, and walk-in
2 centers, AND ALCOHOL USE DISORDER AND SUBSTANCE USE DISORDER
3 SERVICES that meet the regulatory requirements for licensing, and
4 operations, AND PARTNERSHIPS WITH THE STATE;

5 **SECTION 8.** In Colorado Revised Statutes, 25-1.5-103, **amend**
6 (1)(a)(I)(A) and (1)(c); and **add** (2)(a.3)as follows:

7 **25-1.5-103. Health facilities - powers and duties of department**
8 **- limitations on rules promulgated by department - definitions.**

9 (1) The department has, in addition to all other powers and duties
10 imposed upon it by law, the powers and duties provided in this section as
11 follows:

12 (a) (I) (A) To annually license and to establish and enforce
13 standards for the operation of general hospitals, hospital units as defined
14 in section 25-3-101 (2), psychiatric hospitals, community clinics,
15 rehabilitation hospitals, convalescent centers, community mental health
16 centers, acute treatment units, BEHAVIORAL HEALTH ENTITIES, facilities
17 for persons with intellectual and developmental disabilities, nursing care
18 facilities, hospice care, assisted living residences, dialysis treatment
19 clinics, ambulatory surgical centers, birthing centers, home care agencies,
20 and other facilities of a like nature, except those wholly owned and
21 operated by any governmental unit or agency.

22 (c) (I) To establish and enforce standards for licensure of
23 community mental health centers and acute treatment units AS
24 BEHAVIORAL HEALTH ENTITIES.

25 (II) ~~The department of public health and environment has primary~~
26 ~~responsibility for the licensure of community mental health centers and~~
27 ~~acute treatments units. The department of human services has primary~~

1 ~~responsibility for program approval at these facilities. In performing their~~
2 ~~respective ITS responsibilities pursuant to this subparagraph (H), both~~
3 ~~departments~~ SUBSECTION (1)(c)(I) OF THIS SECTION, THE DEPARTMENT
4 shall take into account changes in health care policy and practice
5 incorporating the concept and practice of integration of services and the
6 development of a system that commingles and integrates health care
7 services.

8 (2) For purposes of this section, unless the context otherwise
9 requires:

10 (a.3) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
11 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
12 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
13 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
14 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
15 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
16 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

17 (I) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
18 26-6-102 (33); OR

19 (II) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
20 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
21 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

22 **SECTION 9.** In Colorado Revised Statutes, 25-3-105, **add**
23 (1)(c)(IV) as follows:

24 **25-3-105. License - fee - rules - penalty - repeal.**
25 (1) (c) (IV) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1,
26 2022.

27 **SECTION 10.** In Colorado Revised Statutes, **amend as added in**

1 **section 1 of this act**, 25-27.6-104 (1) as follows:

2 **25-27.6-104. License required - criminal and civil penalties.**

3 (1) (a) On or after July 1, ~~2022~~ 2024, it is unlawful for any person,
4 partnership, association, or corporation to conduct or maintain a
5 behavioral health entity, INCLUDING A SUBSTANCE USE DISORDER
6 PROGRAM OR ALCOHOL USE DISORDER PROGRAM, without having obtained
7 a license THEREFOR from the department.

8 (b) On or after July 1, ~~2021~~ 2023, an entity seeking initial
9 licensure as a behavioral health entity shall apply for a behavioral health
10 entity license if the entity would previously have been licensed ~~as an~~
11 ~~acute treatment unit or as a community mental health center, community~~
12 ~~mental health clinic, or crisis stabilization unit licensed as a community~~
13 ~~clinic~~ OR SUBJECT TO APPROVAL BY THE OFFICE OF BEHAVIORAL HEALTH
14 IN THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO SECTION
15 27-81-106 OR 27-82-103 AS AN APPROVED TREATMENT PROGRAM FOR
16 ALCOHOL USE DISORDERS OR SUBSTANCE USE DISORDERS.

17 (c) A facility ~~licensed as of June 30, 2021~~ WITH A LICENSE OR
18 APPROVAL ON OR BEFORE JUNE 30, 2023, as ~~an acute treatment unit,~~
19 ~~community mental health center, community mental health clinic, or crisis~~
20 ~~stabilization unit, licensed as a community clinic~~ A BEHAVIORAL HEALTH
21 ENTITY, A SUBSTANCE USE DISORDER PROGRAM, OR AN ALCOHOL USE
22 DISORDER PROGRAM shall apply for a behavioral health entity license prior
23 to the expiration of the facility's current license OR APPROVAL. Such a
24 facility is subject to the standards under which it is licensed OR APPROVED
25 as of July 1, ~~2021~~ 2023, until such time as the behavioral health entity
26 license is issued.

27 **SECTION 11.** In Colorado Revised Statutes, 27-60-104, **amend**

1 (1) and (6) introductory portion as follows:

2 **27-60-104. Behavioral health crisis response system - crisis**
3 **service facilities - walk-in centers - mobile response units.** (1) ~~On or~~
4 ~~before January 1, 2018,~~ All BEHAVIORAL HEALTH ENTITIES, crisis walk-in
5 centers, acute treatment units, and crisis stabilization units within the
6 crisis response system, regardless of facility licensure, must be able to
7 adequately care for an individual brought to the facility through the
8 emergency mental health procedure described in section 27-65-105 or a
9 voluntary application for mental health services pursuant to section
10 27-65-103. The arrangements for care must be completed through the
11 crisis response system or prearranged partnerships with other crisis
12 intervention services.

13 (6) The state department shall ensure crisis response system
14 contractors are responsible for community engagement, coordination, and
15 system navigation for key partners, including criminal justice agencies,
16 emergency departments, hospitals, primary care facilities, BEHAVIORAL
17 HEALTH ENTITIES, walk-in centers, and other crisis service facilities. The
18 goals of community coordination are to:

19 **SECTION 12.** In Colorado Revised Statutes, 25-3-101, **amend**
20 (1) as follows:

21 **25-3-101. Hospitals - health facilities - licensed - definitions.**
22 (1) It is unlawful for any person, partnership, association, or corporation
23 to open, conduct, or maintain any general hospital; hospital unit;
24 psychiatric hospital; community clinic; rehabilitation hospital;
25 convalescent center; BEHAVIORAL HEALTH ENTITY; community mental
26 health center OR acute treatment unit LICENSED AS A BEHAVIORAL HEALTH
27 ENTITY; facility for persons with developmental disabilities, as defined in

1 section 25-1.5-103 (2)(c); nursing care facility; hospice care; assisted
2 living residence, except an assisted living residence shall be assessed a
3 license fee as set forth in section 25-27-107; dialysis treatment clinic;
4 ambulatory surgical center; birthing center; home care agency; or other
5 facility of a like nature, except those wholly owned and operated by any
6 governmental unit or agency, without first having obtained a license from
7 the department of public health and environment.

8 **SECTION 13.** In Colorado Revised Statutes, 27-65-102, **amend**
9 (7); and **add** (1.5) as follows:

10 **27-65-102. Definitions.** As used in this article 65, unless the
11 context otherwise requires:

12 (1.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
13 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
14 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
15 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
16 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
17 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
18 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

19 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
20 26-6-102 (33); OR

21 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
22 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
23 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

24 (7) "Facility" means a public hospital or a licensed private
25 hospital, clinic, BEHAVIORAL HEALTH ENTITY, community mental health
26 center or clinic, acute treatment unit, institution, or residential child care
27 facility that provides treatment for persons with mental health disorders.

1 **SECTION 14.** In Colorado Revised Statutes, 27-66-101, **add**
2 (1.5) as follows:

3 **27-66-101. Definitions.** As used in this article 66, unless the
4 context otherwise requires:

5 (1.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
6 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
7 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
8 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
9 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
10 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
11 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

12 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
13 26-6-102 (33); OR

14 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
15 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
16 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

17 **SECTION 15.** In Colorado Revised Statutes, 27-66-104, **amend**
18 (1), (2)(a)(II), (2)(a)(III), (2)(b), (3), and (6); and **add** (2)(a)(IV) as
19 follows:

20 **27-66-104. Types of services purchased - limitation on**
21 **payments.** (1) Community mental health services may be purchased
22 from BEHAVIORAL HEALTH ENTITIES, clinics, community mental health
23 centers, local general or psychiatric hospitals, and other agencies that
24 have been approved by the executive director.

25 (2) (a) Each year the general assembly shall appropriate ~~funds~~
26 MONEY for the purchase of mental health services from:

27 (II) Agencies that provide specialized clinic-type services but do

1 not serve a specific designated service area; ~~and~~

2 (III) Acute treatment units; AND

3 (IV) BEHAVIORAL HEALTH ENTITIES.

4 (b) The ~~funds~~ MONEY appropriated for the purposes of this
5 subsection (2) shall be distributed by the executive director to approved
6 BEHAVIORAL HEALTH ENTITIES, community mental health centers, and
7 other agencies on the basis of need and in accordance with the services
8 provided.

9 (3) Each year the general assembly may appropriate ~~funds~~ MONEY
10 in addition to ~~those~~ THE MONEY appropriated for purposes of subsection
11 (2) of this section, which ~~funds~~ MONEY may be used by the executive
12 director to assist BEHAVIORAL HEALTH ENTITIES, community mental health
13 clinics and centers in instituting innovative programs, in providing mental
14 health services to impoverished areas, and in dealing with crisis
15 situations. The executive director shall require that any innovative or
16 crisis programs for which ~~funds are~~ MONEY IS allocated ~~under~~ PURSUANT
17 TO this subsection (3) be clearly defined in terms of services to be
18 rendered, program objectives, scope and duration of the program, and the
19 maximum amount of ~~funds~~ MONEY to be provided.

20 (6) For purposes of entering into a cooperative purchasing
21 agreement pursuant to section 24-110-201, ~~C.R.S.~~, a NONPROFIT
22 BEHAVIORAL HEALTH ENTITY, nonprofit community mental health center,
23 or a nonprofit community mental health clinic may be certified as a local
24 public procurement unit as provided in section 24-110-207.5. ~~C.R.S.~~

25 **SECTION 16.** In Colorado Revised Statutes, 27-66-105, **amend**
26 (1)(a), (2) introductory portion, and (3); and **add** (1)(g) and (4) as
27 follows:

1 **27-66-105. Standards for approval.** (1) In approving or
2 rejecting community mental health clinics for the purchase of behavioral
3 or mental health services, the executive director shall:

4 (a) Consider the adequacy AND QUALITY of mental health services
5 provided by such clinics, taking into consideration such factors as
6 geographic location, local economic conditions, and availability of
7 manpower;

8 (g) ON AND AFTER JULY 1, 2022, REQUIRE LICENSURE BY THE
9 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO
10 SECTION 25-27.6-104.

11 (2) In approving or rejecting local general or psychiatric hospitals,
12 BEHAVIORAL HEALTH ENTITIES, community mental health centers, acute
13 treatment units, and other agencies for the purchase of services not
14 provided by local mental health clinics, including, but not limited to,
15 twenty-four-hour and partial hospitalization, the executive director shall
16 consider the following factors:

17 (3) In the purchase of services from BEHAVIORAL HEALTH
18 ENTITIES OR community mental health centers, the executive director shall
19 specify levels and types of inpatient, outpatient, consultation, education,
20 and training services and expenditures and shall establish minimum
21 standards for other programs of such centers that are to be supported with
22 state funds.

23 (4) IN APPROVING OR REJECTING BEHAVIORAL HEALTH ENTITIES,
24 COMMUNITY MENTAL HEALTH CLINICS, COMMUNITY MENTAL HEALTH
25 CENTERS, ACUTE TREATMENT UNITS, LOCAL GENERAL OR PSYCHIATRIC
26 HOSPITALS, AND OTHER AGENCIES FOR THE PURCHASE OF SERVICES, THE
27 EXECUTIVE DIRECTOR SHALL ENSURE THE AGENCIES COMPLY WITH

1 FEDERAL FINANCIAL PARTICIPATION REQUIREMENTS FOR
2 DEPARTMENT-ADMINISTERED PROGRAMS.

3 **SECTION 17.** In Colorado Revised Statutes, **amend** 27-66-106
4 as follows:

5 **27-66-106. Federal grants-in-aid and other grants for mental**
6 **health and integrated behavioral health services - administration.**

7 (1) The department is designated the official mental health authority, and
8 is authorized to:

9 (a) Receive grants-in-aid from the federal government under the
10 provisions of 42 U.S.C. sec. 246, and shall administer said grants in
11 accordance therewith; AND

12 (b) RECEIVE OTHER GRANTS FROM THE FEDERAL GOVERNMENT FOR
13 THE PROVISION OF MENTAL HEALTH OR INTEGRATED BEHAVIORAL HEALTH
14 SERVICES AND SHALL ADMINISTER SUCH GRANTS IN ACCORDANCE
15 THEREWITH.

16 **SECTION 18.** In Colorado Revised Statutes, **amend** 27-66-107
17 as follows:

18 **27-66-107. Purchase of services by courts, counties,**
19 **municipalities, school districts, and other political subdivisions.** Any
20 county, municipality, school district, health service district, or other
21 political subdivision of the state or any county, district, or juvenile court
22 is authorized to purchase mental health services from BEHAVIORAL
23 HEALTH ENTITIES, community mental health clinics, and ~~such~~ other
24 community agencies ~~as are~~ approved for purchases by the executive
25 director. For the purchase of mental health services by counties or city
26 and counties as authorized by this section, the board of county
27 commissioners of any county or the city council of any city and county

1 may levy a tax not to exceed two mills upon real property within the
2 county or city and county if the board first submits the question of ~~such~~
3 THE levy to a vote of the qualified electors at a general election and
4 receives their approval of ~~such~~ THE levy.

5 **SECTION 19.** In Colorado Revised Statutes, 27-70-102, **amend**
6 (2) as follows:

7 **27-70-102. Definitions.** As used in this article 70, unless the
8 context otherwise requires:

9 (2) "Facility" means a federally qualified health care center, clinic,
10 community mental health center or clinic, BEHAVIORAL HEALTH ENTITY,
11 institution, acute treatment unit, jail, facility operated by the department
12 of corrections, or a facility operated by the division of youth services.

13 **SECTION 20.** In Colorado Revised Statutes, 27-81-102, **amend**
14 (1); and **add** (3.5) and (13.7) as follows:

15 **27-81-102. Definitions.** As used in this article 81, unless the
16 context otherwise requires:

17 (1) "~~Alcohol use disorder~~" means a ~~condition by which a person~~
18 ~~habitually lacks self-control as to the use of alcoholic beverages or uses~~
19 ~~alcoholic beverages to the extent that his or her health is substantially~~
20 ~~impaired or endangered or his or her social or economic function is~~
21 ~~substantially disrupted. Nothing in this subsection (1) precludes the~~
22 ~~denomination of a person with an alcohol use disorder as intoxicated by~~
23 ~~alcohol or incapacitated by alcohol~~ CHRONIC RELAPSING BRAIN DISEASE
24 CHARACTERIZED BY RECURRENT USE OF ALCOHOL CAUSING CLINICALLY
25 SIGNIFICANT IMPAIRMENT, INCLUDING HEALTH PROBLEMS, DISABILITY,
26 AND FAILURE TO MEET MAJOR RESPONSIBILITIES AT WORK, SCHOOL, AND
27 HOME.

1 (3.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
2 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
3 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
4 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
5 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
6 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
7 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

8 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
9 26-6-102 (33); OR

10 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
11 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
12 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

13 (13.7) "PUBLIC FUNDS" MEANS MONEY APPROPRIATED TO THE
14 OFFICE OF BEHAVIORAL HEALTH BY THE GENERAL ASSEMBLY OR ANY
15 OTHER GOVERNMENTAL OR PRIVATE SOURCES FOR WITHDRAWAL
16 MANAGEMENT OR FOR THE TREATMENT OF ALCOHOL USE DISORDERS IN
17 APPROVED FACILITIES PURSUANT TO THIS ARTICLE 81.

18 **SECTION 21.** In Colorado Revised Statutes, 27-81-104, **amend**
19 (1)(c) as follows:

20 **27-81-104. Duties of the office of behavioral health - review.**

21 (1) In addition to duties prescribed by section 27-80-102, the office of
22 behavioral health shall:

23 (c) Utilize BEHAVIORAL HEALTH ENTITIES, community mental
24 health centers and clinics whenever feasible;

25 **SECTION 22.** In Colorado Revised Statutes, 27-81-107, **amend**
26 (1); and **add** (4) as follows:

27 **27-81-107. Compliance with local government zoning**

1 **regulations - notice to local governments - provisional approval -**
2 **repeal.** (1) PRIOR TO JULY 1, 2024, the office of behavioral health shall
3 require any residential treatment facility seeking approval as a public or
4 private treatment facility pursuant to this article 81 to comply with any
5 applicable zoning regulations of the municipality, city and county, or
6 county where the facility is situated. Failure to comply with applicable
7 zoning regulations constitutes grounds for the denial of approval of a
8 facility.

9 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

10 **SECTION 23.** In Colorado Revised Statutes, **add** 27-81-107.5 as
11 follows:

12 **27-81-107.5. Licensure.** ON AND AFTER JULY 1, 2024, THE OFFICE
13 OF BEHAVIORAL HEALTH SHALL REQUIRE ANY TREATMENT FACILITY
14 SEEKING APPROVAL AS A PUBLIC OR PRIVATE TREATMENT FACILITY
15 PURSUANT TO THIS ARTICLE 81 TO BE LICENSED BY THE DEPARTMENT OF
16 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-27.6-104
17 OR BY ANY OTHER REQUIRED STATE AGENCY.

18 **SECTION 24.** In Colorado Revised Statutes, 27-82-102, **amend**
19 (13.5); and **add** (13.3) as follows:

20 **27-82-102. Definitions.** As used in this article 82, unless the
21 context otherwise requires:

22 (13.3) "PUBLIC FUNDS" MEANS MONEY APPROPRIATED TO THE
23 OFFICE OF BEHAVIORAL HEALTH BY THE GENERAL ASSEMBLY OR ANY
24 OTHER GOVERNMENTAL OR PRIVATE SOURCES FOR WITHDRAWAL
25 MANAGEMENT OR FOR THE TREATMENT OF SUBSTANCE USE DISORDERS IN
26 APPROVED FACILITIES PURSUANT TO THIS ARTICLE 82.

27 (13.5) "Substance use disorder" means a ~~condition by which a~~

1 ~~person habitually uses drugs or uses drugs to the extent that his or her~~
2 ~~health is substantially impaired or endangered or his or her social or~~
3 ~~economic function is substantially disrupted. Nothing in this subsection~~
4 ~~(13.5) precludes the denomination of a person with a substance use~~
5 ~~disorder as a person under the influence of or incapacitated by drugs~~
6 CHRONIC RELAPSING BRAIN DISEASE, CHARACTERIZED BY RECURRENT USE
7 OF ALCOHOL, DRUGS, OR BOTH, CAUSING CLINICALLY SIGNIFICANT
8 IMPAIRMENT, INCLUDING HEALTH PROBLEMS, DISABILITY, AND FAILURE TO
9 MEET MAJOR RESPONSIBILITIES AT WORK, SCHOOL, OR HOME.

10 **SECTION 25.** In Colorado Revised Statutes, **add** 27-82-103.5 as
11 follows:

12 **27-82-103.5. Licensure.** ON AND AFTER JULY 1, 2024, THE OFFICE
13 OF BEHAVIORAL HEALTH SHALL REQUIRE ANY TREATMENT FACILITY
14 SEEKING APPROVAL AS A PUBLIC OR PRIVATE TREATMENT FACILITY TO BE
15 LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
16 PURSUANT TO SECTION 25-27.6-104 OR BY ANY OTHER REQUIRED STATE
17 AGENCY.

18 **SECTION 26. Appropriation.** (1) For the 2019-20 state fiscal
19 year, \$51,472 is appropriated to the department of public health and
20 environment for use by the health facilities and emergency medical
21 services division. This appropriation is from the general fund and is based
22 on the assumption that the division will require an additional 0.5 FTE. To
23 implement this act, the department may use this appropriation for
24 behavioral health entity licensing.

25 **SECTION 27. Act subject to petition - effective date.** Except
26 as provided in subsection (2) of this section, this act takes effect at 12:01
27 a.m. on the day following the expiration of the ninety-day period after

1 final adjournment of the general assembly (August 2, 2019, if
2 adjournment sine die is on May 3, 2019); except that, if a referendum
3 petition is filed pursuant to section 1 (3) of article V of the state
4 constitution against this act or an item, section, or part of this act within
5 such period, then the act, item, section, or part will not take effect unless
6 approved by the people at the general election to be held in November
7 2020 and, in such case, will take effect on the date of the official
8 declaration of the vote thereon by the governor.

9 (2) Sections 6 through 9 of this act take effect July 1, 2021, and
10 sections 10 through 25 of this act take effect July 1, 2022.

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