SENATE BILL 21-286

A BILL FOR AN ACT

CONCERNING THE DISTRIBUTION OF MONEY RECEIVED UNDER THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021" FOR HOME- AND COMMUNITY-BASED SERVICES, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING 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.)

Joint Budget Committee. The bill directs the department of health care policy and financing (department) to develop a spending plan (spending plan) for using enhanced, one-time federal matching money
received pursuant to the "American Rescue Plan Act of 2021" (federal act) to enhance, expand, and strengthen Medicaid-eligible home- and community-based services for older adults and people with disabilities.

The department shall develop a proposed spending plan considering feedback from providers, medical assistance recipients, and advocates consistent with federal guidance on allowable uses of the federal act funding. Money from the federal act may be used for home- and community-based services, as defined in the federal act, including home health services, personal care services, PACE services, waiver services, case management services, and rehabilitative services. The department must develop the spending plan in accordance with federal act guidance. The bill specifies possible components of the spending plan.

As soon as practicable after federal guidance is received, the department shall submit the proposed spending plan to the joint budget committee of the general assembly for approval. The joint budget committee may reject or approve the spending plan and may make recommendations for modifications to the spending plan. If the spending plan is rejected, the department shall submit a new spending plan as soon as possible. The department shall not implement the spending plan unless the spending plan is approved by the joint budget committee.

The bill transfers $225,735,015 from the general fund to a cash fund created in the bill. The money in the cash fund is appropriated to the state department for the fiscal year commencing on July 1, 2021, for expenditures identified in the spending plan approved by the joint budget committee; except that the spending authority expires if a supplemental appropriation bill is enacted. During the next legislative session, the joint budget committee shall introduce a supplemental appropriation bill for the amount of the expenditures authorized. For fiscal years commencing on and after July 1, 2021, the general assembly may also appropriate money from the fund for purposes authorized under the federal act. Money in the fund may be used for the department's reasonable and necessary administrative expenses.

The bill requires the department to submit expenditure reports with additional information specified in the bill concerning the use of the money received pursuant to the federal act.

The bill repeals the statutory provisions in 2025.

The bill appropriates money to the department to administer the appropriations and adjusts the 2020 and 2021 long bill appropriations to reflect federal funding not already accounted for in the long bills.

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

2 SECTION 1. In Colorado Revised Statutes, add part 17 to article
6 to title 25.5 as follows:

PART 17

COLORADO MEDICAL ASSISTANCE PROGRAM

REQUIREMENTS FOR DISBURSEMENT OF

FEDERAL FUNDS UNDER THE

FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021"

25.5-6-1701. Legislative declaration. (1) The general assembly finds and declares that Colorado has a long-standing commitment to serving older adults and people with disabilities through home- and community-based services that enable them to stay in their homes in their communities.

(2) Therefore, the general assembly declares that Colorado is committed to maximizing the impact of the one-time, ten-percentage-point increase in the federal matching rate for Medicaid home- and community-based services, as outlined in section 9817 of the federal "American Rescue Plan Act of 2021", to implement or supplement the implementation of one or more activities to enhance, expand, and strengthen Medicaid-funded home- and community-based services.

25.5-6-1702. Definitions. As used in this part 17, unless the context otherwise requires:


(2) "Home- and community-based services" means any of the following:

(a) Home health-care services authorized pursuant to paragraph (7) of section 1905(a) of the "Social Security Act", 42
U.S.C. 1396d(a);

(b) PERSONAL CARE SERVICES AUTHORIZED PURSUANT TO PARAGRAPH (24) OF SECTION 1905(a) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396d(a);

(c) PACE SERVICES AUTHORIZED PURSUANT TO PARAGRAPH (26) OF SECTION 1905(a) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396d(a);

(d) HOME- AND COMMUNITY-BASED SERVICES AUTHORIZED PURSUANT TO SUBSECTIONS (b), (c), (i), (j), AND (k) OF SECTION 1915 OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396n; SERVICES AUTHORIZED PURSUANT TO A WAIVER UNDER SECTION 1115 OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1315; AND SERVICES THROUGH COVERAGE AUTHORIZED UNDER SECTION 1937 OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396u-7;

(e) CASE MANAGEMENT SERVICES AUTHORIZED UNDER SECTION 1905(a)(19) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396d(a)(19), AND SECTION 1915(g) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396n(g);

(f) REHABILITATIVE SERVICES, INCLUDING THOSE RELATED TO BEHAVIORAL HEALTH, DESCRIBED IN SECTION 1905(a)(13) OF THE "SOCIAL SECURITY ACT", 42 U.S.C. 1396d(a)(13); AND

(g) SUCH OTHER SERVICES SPECIFIED BY THE UNITED STATES SECRETARY OF HEALTH AND HUMAN SERVICES.

(3) "SOCIAL SECURITY ACT" MEANS THE FEDERAL "SOCIAL SECURITY ACT", AS AMENDED.

25.5-6-1703. Development of spending plan. (1) In accordance with federal guidance issued by the federal centers for medicare and medicaid services regarding the
IMPLEMENTATION OF SECTION 9817 OF THE "AMERICAN RESCUE PLAN ACT", THE STATE DEPARTMENT SHALL DEVELOP A PROPOSED SPENDING PLAN USING THE ENHANCED FUNDING, WHICH PLAN MAY INCLUDE BUT IS NOT LIMITED TO THE FOLLOWING COMPONENTS:

(a) CONSIDERATION OF METHODS TO MAXIMIZE FEDERAL FINANCIAL PARTICIPATION;

(b) INCORPORATION OF FEEDBACK FROM MEDICAL ASSISTANCE RECIPIENTS, ADVOCATES, AND PROVIDERS FOR THE SERVICES FOR WHICH THE "AMERICAN RESCUE PLAN ACT" PROVIDES ADDITIONAL FEDERAL FINANCIAL PARTICIPATION;

(c) EXPEDITION OF THE RESPONSE AND RECOVERY FOR MEDICAL ASSISTANCE RECIPIENTS, PROVIDERS, AND OTHER RELEVANT ORGANIZATIONS MOST SIGNIFICANTLY IMPACTED BY THE COVID-19 PANDEMIC. RESPONSE AND RECOVERY EFFORTS MAY INCLUDE BUT ARE NOT LIMITED TO:

(I) ONE-TIME PROVIDER RATE INCREASES TO SUPPORT ORGANIZATIONS AND THE DIRECT-CARE WORKERS IMPACTED BY COVID-19;

(II) ONE-TIME PAYMENTS TO SUPPORT INFECTION CONTROL; AND

(III) TRIBAL GRANTS TO INCREASE ACCESS TO AND USE OF HOME- AND COMMUNITY-BASED SERVICES ON TRIBAL LANDS;

(d) ADVANCEMENT AND ACCELERATION OF EXISTING AND NEWLY IDENTIFIED SYSTEM REFORM EFFORTS. ADVANCEMENT AND ACCELERATION EFFORTS MAY INCLUDE BUT ARE NOT LIMITED TO:

(I) SUPPORT FOR LOCAL ORGANIZATIONS AND STAKEHOLDERS TO PLAN AND PREPARE FOR THE IMPLEMENTATION OF CASE MANAGEMENT REDESIGN EFFORTS;
(II) Analysis and development of recommendations to better stabilize existing rural providers and to expand provider access in rural communities;

(III) Analysis and development of recommendations for new models of care for investment and innovation;

(IV) Development of pay for performance programs;

(V) Improvement of provider certification oversight;

(VI) Development of acuity tools for long-term home health;

(VII) Development of training to align with 988 mobile dispatch;

(VIII) Analysis and development of recommendations for implementing behavioral health peer supports for day services serving people experiencing homelessness;

(IX) Development of transition support services for people with complex behavioral needs;

(X) Provider capacity-building to serve people with high-intensity needs;

(XI) Development of provider cultural and disability competency training; and

(XII) Home- and community-based services through the community first choice option, section 1915(k) of the "Social Security Act", 42 U.S.C. 1396n;

(e) Investment in infrastructure and technology innovation that has a long-term benefit to the system and the people of Colorado, including integration with other statewide and local efforts. Investments may include but are not limited
TO:

(I) Comprehensive training for case managers and providers;

(II) System enhancements to support streamlined eligibility;

(III) Member and family material on case management, care coordination, and home- and community-based services;

(IV) Expanding recipient access to technology and technology literacy training;

(V) Capital funding for IT infrastructure to purchase devices to support the implementation of the care and case management tool; and

(VI) Telemedicine and telehealth one-time payments to support equipment for service delivery; and

(f) Development and stabilization of the direct-care workforce. Efforts may include but are not limited to:

(I) The analysis of nationwide efforts to strengthen the direct-care workforce;

(II) Development of a strategic plan to stabilize the direct-care workforce, including plans for rural sustainability;

(III) Consideration of direct-care worker wage sustainability through increased rates and potential wage pass-through programs;

(IV) Development of training programs focusing on additional career pathways; and

(V) Creation of structure around recruitment, retention, and public awareness of direct-care work.
25.5-6-1704. Spending plan - approval by joint budget committee - reporting. (1) (a) As soon as practicable after receiving federal guidance, the state department shall submit a proposed spending plan for expenditures pursuant to this part to the joint budget committee for the committee's rejection or approval. If a proposed spending plan is rejected, the state department shall resubmit a new plan as soon as possible. The joint budget committee may make recommendations for modifications to the spending plan. The state department shall not implement the spending plan unless the joint budget committee approves the spending plan.

(b) The state department shall identify in the plan the data, research, and evidence used to determine the spending plan in a manner consistent with the instructions published by the Office of State Planning and Budgeting pursuant to section 24-37-302 (1)(a).

(c) The spending plan must incorporate any available federal funds.

(d) The state department shall not include provisions in the spending plan or implement provisions of the spending plan that are not eligible for funding pursuant to federal guidance relating to the "American Rescue Plan Act".

(2) Commencing November 1, 2021, and occurring quarterly thereafter, the state department shall report to the
JOINT BUDGET COMMITTEE CONCERNING THE STATUS OF EXPENDITURES
PURSUANT TO THIS PART 17.

(3) The reports must include:

(a) The scope, intended impact, and amount of money disbursed from the money received pursuant to the "American Rescue Plan Act";

(b) A description of how the state department incorporated stakeholder feedback into plans for the disbursement of money; and

(c) An update as to the total amount of money disbursed from the money received pursuant to the "American Rescue Plan Act", the remaining amount of money, and the projected amount of anticipated federal financial participation.

25.5-6-1705. Home- and community-based services improvement fund - creation - transfer - expenditures. (1) The home- and community-based services improvement fund, referred to in this section as the "fund", is created in the state treasury. The fund consists of money transferred to the fund pursuant to subsection (2) of this section.

(2) (a) On the effective date of this part 17, the state treasurer shall transfer two hundred sixty million seven hundred thirty thousand ninety-nine dollars from the general fund to the fund.

(b) (I) If the general fund savings due to the enhanced federal match under section 9817 of the "American Rescue Plan Act" is greater than the amount transferred to the fund under subsection (2)(a) of this section, then the state department shall
NOTIFY THE STATE TREASURER OF THE AMOUNT BY WHICH THE SAVINGS EXCEEDED THE TRANSFER. THE STATE TREASURER SHALL TRANSFER THIS AMOUNT OF MONEY FROM THE GENERAL FUND TO THE FUND.

(II) IF THE GENERAL FUND SAVINGS DUE TO THE ENHANCED FEDERAL MATCH UNDER SECTION 9817 OF THE "AMERICAN RESCUE PLAN ACT" IS LESS THAN THE AMOUNT TRANSFERRED TO THE FUND UNDER SUBSECTION (2)(a) OF THIS SECTION, THEN THE STATE DEPARTMENT SHALL NOTIFY THE STATE TREASURER OF THE AMOUNT BY WHICH THE TRANSFER EXCEEDS THE SAVINGS. THE STATE TREASURER SHALL TRANSFER THIS AMOUNT OF MONEY FROM TO THE FUND TO THE GENERAL FUND.

(3) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE GENERAL FUND.

(4) (a) MONEY IN THE FUND IS APPROPRIATED TO THE STATE DEPARTMENT FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2021, FOR THE EXPENDITURES IDENTIFIED IN THE SPENDING PLAN APPROVED BY THE JOINT BUDGET COMMITTEE PURSUANT TO SECTION 25.5-6-1704; EXCEPT THAT THE SPENDING AUTHORITY CONFERRED BY THIS SUBSECTION (4)(a) EXPIRES IF A SUPPLEMENTAL APPROPRIATION BILL THAT APPROPRIATES MONEY FROM THE FUND TO THE STATE DEPARTMENT IS ENACTED.

(b) DURING THE NEXT LEGISLATIVE SESSION, THE JOINT BUDGET COMMITTEE SHALL INTRODUCE A SUPPLEMENTAL APPROPRIATION BILL WITH THE SPECIFIC EXPENDITURES AUTHORIZED UNDER SUBSECTION (4)(a) OF THIS SECTION.

(5) FOR FISCAL YEARS COMMENCING ON AND AFTER JULY 1, 2021, MONEY IN THE FUND IS SUBJECT TO ANNUAL APPROPRIATION TO ENHANCE, EXPAND, AND STRENGTHEN MEDICAID HOME- AND COMMUNITY-BASED
SERVICES PURSUANT TO SECTION 9817 OF THE "AMERICAN RESCUE PLAN Act".

(6) THE STATE DEPARTMENT MAY USE THE MONEY IN THE FUND FOR REASONABLE AND NECESSARY ADMINISTRATIVE COSTS ASSOCIATED WITH IMPLEMENTING THIS PART 17.

25.5-6-1706. Repeal of part. This Part 17 is repealed, effective July 1, 2025.

SECTION 2. In Colorado Revised Statutes, 25.5-4-402.4, add (5)(c) as follows:

25.5-4-402.4. Hospitals - healthcare affordability and sustainability fee - legislative declaration - Colorado healthcare affordability and sustainability enterprise - federal waiver - fund created - rules - reports - repeal. (5) Healthcare affordability and sustainability fee cash fund. (c) ARPA home- and community-based services account. (I) There is created the "ARPA home- and community-based services account" within the fund, referred to in this subsection (5)(c) as the "ARPA account". Notwithstanding any other provision of this section to the contrary, money in the ARPA account as a result of fund savings and federal matching dollars must be used in accordance with Section 9817 of the federal "American Rescue Plan Act of 2021", Pub.L. 117-2, as amended, referred to in this section as "ARPA", to implement or supplement the implementation of home- and community-based services under the Medical Assistance Program pursuant to the provisions of Part 17 of Article 6 of this Title 25.5.

(II) (A) On the effective date of this subsection (5)(c), the State Treasurer shall transfer nineteen million eight hundred
THIRTY THOUSAND NINE HUNDRED EIGHTEEN DOLLARS FROM THE FUND TO
THE ARPA ACCOUNT.

(B) IF THE FUND SAVINGS DUE TO THE ENHANCED FEDERAL MATCH
UNDER ARPA IS GREATER THAN THE AMOUNT TRANSFERRED TO THE
ARPA ACCOUNT UNDER SUBSECTION (5)(c)(II)(A) OF THIS SECTION, THEN
THE STATE DEPARTMENT SHALL NOTIFY THE STATE TREASURER OF THE
AMOUNT BY WHICH THE SAVINGS EXCEEDS THE TRANSFER. THE STATE
TREASURER SHALL TRANSFER THIS AMOUNT FROM THE FUND TO THE
ARPA ACCOUNT.

(C) IF THE FUND SAVINGS DUE TO THE ENHANCED FEDERAL MATCH
UNDER ARPA IS LESS THAN THE AMOUNT TRANSFERRED TO THE ARPA
ACCOUNT UNDER SUBSECTION (5)(c)(II)(A) OF THIS SECTION, THEN THE
STATE DEPARTMENT SHALL NOTIFY THE STATE TREASURER OF THE
AMOUNT BY WHICH THE TRANSFER EXCEEDS THE SAVINGS. THE STATE
TREASURER SHALL TRANSFER THIS AMOUNT FROM THE ARPA ACCOUNT
TO THE FUND.

(III) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
INCOME DERIVED FROM THE MONEY IN THE ARPA ACCOUNT TO THE FUND.

(IV) MONEY IN THE ARPA ACCOUNT IS SUBJECT TO ANNUAL
APPROPRIATION BY THE GENERAL ASSEMBLY CONSISTENT WITH THE
PURPOSES SPECIFIED IN THIS SECTION AND ARPA, AND PURSUANT TO PART
17 OF ARTICLE 6 OF THIS TITLE 25.5.

(V) MONEY IN THE ARPA ACCOUNT REMAINS IN THE ARPA
ACCOUNT UNTIL THE END OF THE SPENDING PERIOD AUTHORIZED UNDER
ARPA, AT WHICH TIME MONEY REMAINING IN THE ARPA ACCOUNT
BECOMES PART OF THE FUND.

(VI) THIS SUBSECTION (5)(c) IS REPEALED, EFFECTIVE JULY 1.
SECTION 3. In Colorado Revised Statutes, 25.5-5-321, amend (3) as follows:

25.5-5-321. Telemedicine - home health care - home health telemedicine cash fund - rules. (3) (a) Reimbursement shall not be provided for purchase or lease of telemedicine equipment.

(b) (I) SUBSECTION (3)(a) OF THIS SECTION DOES NOT APPLY TO EXPENDITURES MADE PURSUANT TO PART 17 OF ARTICLE 6 OF THIS TITLE 25.5.

(II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JULY 1, 2025.

SECTION 4. Appropriation. (1) For the 2021-22 state fiscal year, $378,843 is appropriated to the department of health care policy and financing for use by the executive director's office. This appropriation is from the the home- and community-based services improvement fund created in section 25.5-6-1705 (1), C.R.S. To implement this act, the office may use this appropriation as follows:

(a) $172,768 for personal services, which amount is based on an assumption that the office will require an additional 4.6 FTE; ___

(b) $18,875 for operating expenses; and

(c) $187,200 for general professional services and special projects.

(2) For the 2021-22 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive $378,843 in federal funds to implement this act, which amount is subject to the "(I)" notation as defined in the annual general appropriation act for the same fiscal year. The appropriation in subsection (1) of this section is based on the assumption that the department will receive this
amount of federal funds to be used as follows:

(a) $172,768 for personal services; 
(b) $18,875 for operating expenses; and
(c) $187,200 for general professional services and special projects.

SECTION 5. Appropriation - adjustments to 2021 long bill.

(1) To implement this act, appropriations made in the annual general appropriation act for the 2021-22 state fiscal year to the department of health care policy and financing are adjusted as follows:

(a) The general fund appropriation for behavioral health capitation payments is decreased by $26,708,125; and

(b) The cash funds appropriation for behavioral health capitation payments is decreased by $15,336,964 from the healthcare affordability and sustainability fee cash fund created in section 25.5-4-402.4 (5)(a), C.R.S.

(2) The decrease of the appropriations in subsection (1) of this section is based on the assumption that the anticipated amount of federal funds received for the 2021-22 state fiscal year by the department of health care policy and financing for behavioral health capitation payments will increase by $42,045,089.
**SECTION 6.** Appropriation to the department of health care policy and financing for the fiscal year beginning July 1, 2020. In Session Laws of Colorado 2020, section 2 of chapter 326, (HB 20-1360), amend Part V (3) and the affected totals, as Part V (3) and the affected totals are amended by section 1 of SB 21-043, and as Part V (3) and the affected totals are amended by section 10 of SB 21-205, as follows:

Section 2. **Appropriation.**

### PART V

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

### (3) BEHAVIORAL HEALTH COMMUNITY PROGRAMS

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<th>Total</th>
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<th>Reappropriated Funds</th>
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<td>Fee-for-service Payments</td>
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\[882,904,151\]
$57,979,954 $53,486,000 shall be from the Healthcare Affordability and Sustainability Fee Cash Fund created in Section 25.5-4-402.4 (5)(a), C.R.S. and $24,125 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (8)(a)(I), C.R.S.

Of these amounts, $635,104,923 shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S., and $395,925 shall be General Fund Exempt pursuant to Section 24-22-117 (1)(c)(I)(B), C.R.S. Said $395,925 is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

Of this amount, $16,268,874 contains an (I) notation.

Of this amount, $329,118,399 contains an (I) notation.
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**SECTION 7. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.