

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

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 23-0551.01 Chelsea Princell x4335

**HOUSE BILL 23-1204**

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**HOUSE SPONSORSHIP**

**Lindstedt,**

**SENATE SPONSORSHIP**

**Priola,**

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**House Committees**

Public & Behavioral Health & Human Services

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE DISCHARGE OF A CLIENT FROM A RECOVERY**  
102 **RESIDENCE.**

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**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>.)*

The bill requires a recovery residence to implement a client discharge and transfer policy in order to discharge or transfer a client from a recovery residence in certain circumstances. The policy must be approved by the recovery residence's certifying body before a discharge or transfer may occur.

The bill requires that prior to discharging a client from a recovery

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

HOUSE  
Amended 2nd Reading  
March 22, 2023

residence, the recovery residence shall provide the client with referrals to treatment or support services, alternative housing options, and recommendations for follow-up care.

The bill requires the certifying body to establish a grievance and appeal process for clients to use when they believe they have been wrongfully discharged or transferred from a recovery residence.

The bill allows a certified recovery residence or client that is adversely affected or aggrieved by a decision made by the certifying body to appeal the decision to the Colorado department of personnel and administration, office of administrative courts.

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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 with amended**  
3 **and relocated provisions** 27-80-129 as follows:

4 **27-80-129. [Formerly 25-1.5-108.5] Regulation of recovery**  
5 **residences - rules - definitions.** (1) ~~(a)~~ As used in this section:

6 (a) "CERTIFYING BODY" MEANS THE BODY THAT CERTIFIES A  
7 RECOVERY RESIDENCE APPROVED BY THE BEHAVIORAL HEALTH  
8 ADMINISTRATION IN THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO  
9 SECTION 27-80-122.

10 (b) (I) "Recovery residence", "sober living facility", or "sober  
11 home" means any premises, place, facility, or building that provides  
12 housing accommodation for individuals with a primary diagnosis of a  
13 substance use disorder that:

14 ~~(H)~~ (A) Is free from alcohol and nonprescribed or illicit drugs;

15 ~~(H)~~ (B) Promotes independent living and life skill development;

16 and

17 ~~(H)~~ (C) Provides structured activities and recovery support  
18 services that are primarily intended to promote recovery from substance  
19 use disorders.

20 ~~(b)~~ (II) "Recovery residence" does not include:

1           ~~(H)~~ (A) A private residence in which an individual related to the  
2 owner of the residence by blood, adoption, or marriage is required to  
3 abstain from substance use or receive behavioral health services for a  
4 substance use disorder as a condition of residing in the residence;

5           ~~(H)~~ (B) The supportive residential community for individuals who  
6 are homeless operated under section 24-32-724 at the Fort Lyon property  
7 for the purpose of providing substance abuse supportive services, medical  
8 care, job training, and skill development for the residents;

9           ~~(H)~~ (C) A facility approved for residential treatment by the  
10 behavioral health administration in the department of human services; or

11           ~~(H)~~ (D) Permanent supportive housing units incorporated into  
12 affordable housing developments.

13           (2) A recovery residence may admit individuals who are receiving  
14 medication-assisted treatment, including agonist treatment, for substance  
15 use disorders; except that a recovery residence receiving state money or  
16 providing services that are paid for through state programs shall not deny  
17 admission to persons who are participating in prescribed  
18 medication-assisted treatment, as defined in section 23-21-803, for a  
19 substance use disorder.

20           (3) Effective January 1, 2020, a person shall not operate a facility  
21 using the term "recovery residence", "sober living facility", "sober home",  
22 or a substantially similar term, and a licensed, registered, or certified  
23 health-care provider or a licensed health facility shall not refer an  
24 individual in need of recovery support services to a facility, unless the  
25 facility:

26           (a) Is certified by a ~~recovery residence~~ certifying body approved  
27 ~~by the behavioral health administration in the department of human~~

1 services as specified in subsection (4) of this section;

2 (b) Is chartered by Oxford House or its successor organization;

3 (c) Has been operating as a recovery residence in Colorado for

4 thirty or more years as of May 23, 2019; or

5 (d) Is a community-based organization that provides reentry

6 services as described in section 17-33-101 (7).

7 (4) The behavioral health administration in the department of

8 human services shall, by rule, determine the requirements for a ~~recovery~~

9 ~~residence~~ certifying body seeking approval for purposes of subsection

10 (3)(a) of this section, which rules must include a requirement that a

11 ~~recovery residence~~ certifying body include a representative from the

12 behavioral health administration on its board.

13 (5) A recovery residence owner, employee, or administrator, or an

14 individual related to a recovery residence owner, employee, or

15 administrator, shall not directly or indirectly:

16 (a) Solicit, accept, or receive a commission, payment, trade, fee,

17 or anything of monetary or material value, excluding the supportive

18 services required to place the resident:

19 (I) For admission of a resident, except for state or federal

20 contracts that specifically reimburse for resident fees;

21 (II) From a treatment facility that is licensed or certified by the

22 department of public health and environment for the treatment of

23 substance use disorders; or

24 (III) From a facility approved for residential treatment by the

25 behavioral health administration in the department of human services;

26 (b) Solicit, accept, or receive a commission, payment, trade, fee,

27 or anything of monetary or material value from a toxicology laboratory

1 that provides confirmation testing or point-of-care testing for residents.

2 (6) A RECOVERY RESIDENCE SHALL HAVE THE FOLLOWING IN  
3 PLACE FOR EACH CLIENT AT THE TIME AN INDIVIDUAL BECOMES A CLIENT  
4 OF THE RECOVERY RESIDENCE:

5 (a) A SIGNED PROGRAM AGREEMENT BETWEEN THE RECOVERY  
6 RESIDENCE AND THE CLIENT THAT OUTLINES THE REQUIREMENTS THE  
7 CLIENT MUST FOLLOW TO RESIDE AT THE RECOVERY RESIDENCE, THE DRUG  
8 SCREENING POLICY, AND THE RECOVERY RESIDENCE'S CODE OF CONDUCT  
9 WHICH PROHIBITS THE USE OF ALCOHOL, NONPRESCRIBED DRUGS, AND  
10 ILLICIT DRUGS, AND NOTICE OF IMMEDIATE DISCHARGE FOR POSSESSION OF  
11 ALCOHOL, NONPRESCRIPTION DRUGS, OR ILLICIT DRUGS IN THE RECOVERY  
12 RESIDENCE; AND

13 (b) A RELAPSE PLAN THAT MUST BE IMPLEMENTED IF THE CLIENT  
14 RETURNS TO THE USE OF ALCOHOL, NONPRESCRIBED DRUGS, OR ILLICIT  
15 DRUGS. THE RELAPSE PLAN MUST OUTLINE STEPS THAT MUST BE TAKEN TO  
16 EVALUATE AND ADDRESS THE CLIENT'S RETURN TO USE AND TO ALLOW  
17 THE CLIENT TO REMAIN IN THE RECOVERY RESIDENCE AFTER A RELAPSE  
18 HAS OCCURRED, IF POSSIBLE. THE RECOVERY RESIDENCE MUST PROVIDE  
19 NOTIFICATION TO THE CLIENT IF THE CLIENT'S RELAPSE PLAN HAS FAILED.

20 (7) (a) RECOVERY RESIDENCE STAFF SHALL DEVELOP A CLIENT  
21 DISCHARGE AND TRANSFER POLICY AND SUBMIT IT FOR APPROVAL TO ITS  
22 CERTIFYING BODY. RECOVERY RESIDENCE STAFF SHALL IMPLEMENT A  
23 CLIENT DISCHARGE AND TRANSFER POLICY THAT IS APPROVED BY THE  
24 CERTIFYING BODY. AFTER THE CERTIFYING BODY APPROVES THE  
25 RECOVERY RESIDENCE'S CLIENT DISCHARGE AND TRANSFER POLICY, THE  
26 RECOVERY RESIDENCE STAFF MAY DISCHARGE OR TRANSFER A CLIENT  
27 WITH TWENTY-FOUR HOURS' NOTICE, IF THE RELAPSE PLAN HAS FAILED,

1 ACCORDING TO THE POLICY, IN ANY OF THE FOLLOWING CIRCUMSTANCES:

2 (I) THE DISCHARGE OR TRANSFER IS NECESSARY FOR THE SAFETY  
3 OF THE CLIENT BECAUSE THE RECOVERY RESIDENCE IS UNABLE TO MEET  
4 THE NEEDS OF THE CLIENT; OR

5 (II) IF THE CLIENT RETURNS TO THE USE OF ALCOHOL,  
6 NONPRESCRIPTION DRUGS, OR ILLICIT DRUGS.

7 (b) RECOVERY RESIDENCE STAFF MAY IMMEDIATELY DISCHARGE  
8 OR TRANSFER A CLIENT, ACCORDING TO THE POLICY, IF THE CLIENT IS IN  
9 POSSESSION OF ALCOHOL, NONPRESCRIPTION DRUGS, OR ILLICIT DRUGS IN  
10 THE RECOVERY RESIDENCE.

11 (c) IF A CLIENT IS UNABLE OR NO LONGER WISHES TO RESIDE IN A  
12 RECOVERY RESIDENCE, OR IS DISCHARGED OR TRANSFERRED FROM A  
13 RECOVERY RESIDENCE, PRIOR TO THE CLIENT VACATING THE RECOVERY  
14 RESIDENCE, THE RECOVERY RESIDENCE STAFF SHALL:

15 (I) DOCUMENT IN THE CLIENT'S RECORD DETAILED INFORMATION  
16 REGARDING THE BASIS FOR THE DISCHARGE OR TRANSFER;

17 (II) PROVIDE THE CLIENT WITH A REFERRAL TO TREATMENT  
18 SERVICES OR OTHER RECOVERY SUPPORT SERVICES;

19 (III) PROVIDE THE CLIENT WITH A REFERRAL TO APPROPRIATE  
20 SERVICES IF THE CLIENT IS DISCHARGED WITHOUT FOOD, HOUSING, OR  
21 ECONOMIC SECURITY, IF SUCH SERVICES EXIST IN THE COMMUNITY; AND

22 (IV) PROVIDE THE CLIENT WITH THE PHONE NUMBER TO CONTACT  
23 THE COLORADO CRISIS SERVICES HOTLINE, INFORMATION ON THE  
24 AVAILABILITY OF PEER SUPPORT SERVICES, AND INFORMATION ABOUT THE  
25 BEHAVIORAL HEALTH SERVICES DIRECTORY PROVIDED BY THE  
26 BEHAVIORAL HEALTH ADMINISTRATION.

27 (d) RECOVERY RESIDENCE STAFF SHALL DOCUMENT IN THE

1 CLIENT'S RECORD ANY REFERRALS PROVIDED TO THE CLIENT PURSUANT TO  
2 SUBSECTION (7)(c) OF THIS SECTION. IF THE CLIENT REFUSES TO ACCEPT  
3 THE DISCHARGE OR TRANSFER, THE RECOVERY RESIDENCE STAFF SHALL  
4 DOCUMENT THE REFUSAL IN THE CLIENT'S RECORD.

5 (e) THE RECOVERY RESIDENCE SHALL, AT A MINIMUM, ATTEMPT TO  
6 FOLLOW UP WITH THE CLIENT'S DESIGNATED EMERGENCY CONTACT, AT  
7 THE TIME OF DISCHARGE. THE RECOVERY RESIDENCE IS ENCOURAGED TO  
8 UTILIZE PEER SUPPORT PROFESSIONALS, AS DEFINED IN SECTION 27-60-108,  
9 WHEN PERFORMING FOLLOW-UP CARE WITH CLIENTS. A RECOVERY  
10 RESIDENCE MAY FACILITATE FOLLOW-UP CARE THROUGH CONTACTS WITH  
11 COMMUNITY-BASED PROVIDERS OR THE COLORADO CRISIS HOTLINE.

12 (8) THE CERTIFYING BODY SHALL ESTABLISH A FAIR AND  
13 ACCESSIBLE GRIEVANCE AND APPEAL PROCESS FOR CLIENTS TO APPEAL A  
14 DISCHARGE OR TRANSFER DECISION MADE BY A RECOVERY RESIDENCE.  
15 THE GRIEVANCE AND APPEAL PROCESS MUST, AT A MINIMUM:

16 (a) REQUIRE WRITTEN DOCUMENTATION OF THE GRIEVANCE  
17 WITHIN ONE WEEK OF RECEIVING THE GRIEVANCE IF THE GRIEVANCE IS  
18 RECEIVED VERBALLY; AND

19 (b) PROVIDE THE CLIENT WITH A DECISION NOT LATER THAN  
20 SEVENTY-TWO HOURS AFTER THE DATE THE CLIENT SUBMITS A GRIEVANCE  
21 OR APPEAL.

22 (9) THE RECOVERY RESIDENCE SHALL PROVIDE A CLIENT WHO IS  
23 DISCHARGED OR TRANSFERRED WITH A WRITTEN NOTICE INDICATING THE  
24 REASON FOR DISCHARGE, TREATMENT REFERRALS, AND REFERRALS FOR  
25 OTHER SERVICES THE CLIENT IS RECEIVING. THE WRITTEN NOTICE MUST  
26 OUTLINE THE CLIENT'S RIGHT TO APPEAL THE DISCHARGE OR TRANSFER,  
27 THE TIMELINE REQUIRED FOR AN APPEAL, AND HOW TO SUBMIT AN APPEAL.

1 (10) ANY CERTIFIED RECOVERY RESIDENCE OR CLIENT ADVERSELY  
2 AFFECTED OR AGGRIEVED BY A DECISION MADE BY THE CERTIFYING BODY  
3 PURSUANT TO THIS SECTION HAS THE RIGHT TO APPEAL TO THE COLORADO  
4 DEPARTMENT OF PERSONNEL AND ADMINISTRATION, OFFICE OF  
5 ADMINISTRATIVE COURTS AND MAY SUBSEQUENTLY SEEK JUDICIAL  
6 REVIEW OF THE CERTIFYING BODY'S ACTION.

7 (11) A RECOVERY RESIDENCE SHALL MAKE THE RECOVERY  
8 RESIDENCE'S CODE OF CONDUCT, DRUG SCREENING POLICY, AND  
9 DISCHARGE AND TRANSFER POLICY ACCESSIBLE IN ALL COMMON AREAS OF  
10 THE RECOVERY RESIDENCE.

11 (12) THE RECOVERY RESIDENCE SHALL NOT CONSIDER AGE,  
12 GENDER, DISABILITY, RACE, COLOR, ANCESTRY, CITIZENSHIP, PREGNANCY,  
13 SEXUAL ORIENTATION, GENDER IDENTITY OR EXPRESSION, NATIONAL  
14 ORIGIN, MEDICAL CONDITION, MARITAL STATUS, VETERAN STATUS,  
15 PAYMENT SOURCE OR ABILITY, OR ANY OTHER BASIS PROHIBITED BY  
16 FEDERAL, STATE, OR LOCAL LAW WHEN DETERMINING WHETHER TO  
17 DISCHARGE OR TRANSFER A CLIENT.

18 **SECTION 2.** In Colorado Revised Statutes, 27-50-105, **amend**  
19 (1)(a) as follows:

20 **27-50-105. Administration of behavioral health programs -**  
21 **state plan - sole mental health authority.** (1) The BHA shall administer  
22 and provide the following behavioral health programs and services:

23 (a) The regulation of recovery residences pursuant to ~~section~~  
24 ~~25-1.5-108.5~~ SECTION 27-80-129;

25 **SECTION 3.** In Colorado Revised Statutes, 27-80-107.7, **amend**  
26 (1)(d) as follows:

27 **27-80-107.7. Increase synthetic opiate treatment - report.**



1 (1) On or before January 1, 2023, each managed service organization  
2 designated pursuant to section 27-80-107 shall evaluate the current supply  
3 and necessary demand within its region for:

4 (d) The provision of recovery residences, as defined in section  
5 ~~25-1.5-108.5~~ SECTION 27-80-129.

6 **SECTION 4.** In Colorado Revised Statutes, 27-80-122, **amend**  
7 (1)(a) as follows:

8 **27-80-122. Recovery residence certifying body - competitive**  
9 **selection process - appropriation.** (1) No later than January 1, 2022, the  
10 BHA shall use a competitive selection process pursuant to the  
11 "Procurement Code", articles 101 to 112 of title 24, to select a recovery  
12 residence certifying body to:

13 (a) Certify recovery residences pursuant to ~~section 25-1.5-108.5~~  
14 ~~SECTION 27-80-129~~; and

15 **SECTION 5.** In Colorado Revised Statutes, 27-80-125, **amend**  
16 (3) as follows:

17 **27-80-125. Housing assistance for individuals with a substance**  
18 **use disorder - report - rules - appropriation.** (3) In awarding  
19 temporary financial housing assistance in accordance with this section,  
20 the BHA shall consider funding for individuals entering into a recovery  
21 residence, as defined in ~~section 25-1.5-108.5 (1)(a)~~ ~~SECTION 27-80-129~~.

22 **SECTION 6. Repeal of relocated provisions in this act.** In  
23 Colorado Revised Statutes, **repeal** ~~25-1.5-108.5~~.

24 **SECTION 7. Act subject to petition - effective date.** This act  
25 takes effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly; except  
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this  
2 act within such period, then the act, item, section, or part will not take  
3 effect unless approved by the people at the general election to be held in  
4 November 2024 and, in such case, will take effect on the date of the  
5 official declaration of the vote thereon by the governor.