

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

REVISED

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

LLS NO. 24-1074.02 Kristen Forrestal x4217

HOUSE BILL 24-1417

HOUSE SPONSORSHIP

Bird and Sirota, Taggart, Duran, Garcia, McCluskie

SENATE SPONSORSHIP

Bridges and Kirkmeyer, Zenzinger

House Committees
Appropriations

Senate Committees
Appropriations

A BILL FOR AN ACT

101 **CONCERNING LICENSE FEES PAYABLE TO HEALTH-CARE CASH FUNDS.**

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 establishes the amounts by which the state board of health in the department of public health and environment (department) may increase the fees payable to the general licensure cash fund, the assisted living residence cash fund, and the home care agency cash fund. The fees are increased up to 8% in state fiscal year 2025-26; 6% in state fiscal years 2026-27, 2027-28, and 2028-29; and, in each fiscal year thereafter, an amount based on the percentage change reflected in the prior year's consumer price index. The bill requires the

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.

SENATE
2nd Reading Unamended
April 4, 2024

HOUSE
3rd Reading Unamended
April 1, 2024

HOUSE
Amended 2nd Reading
March 28, 2024

state auditor to audit the efficiency of the department's use of the facility fees.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 2-3-129 as
3 follows:

4 **2-3-129. Audit of license fees paid to health-care cash funds.**

5 THE STATE AUDITOR SHALL COMPLETE OR CAUSE TO BE CONDUCTED AND
6 COMPLETED AN AUDIT OF THE LICENSE FEES PAYABLE INTO THE HEALTH
7 FACILITIES GENERAL LICENSURE CASH FUND PURSUANT TO SECTION
8 25-3-105, THE ASSISTED LIVING RESIDENCE CASH FUND PURSUANT TO
9 SECTION 25-27-107, AND THE HOME CARE AGENCY CASH FUND PURSUANT
10 TO SECTION 25-27.5-104. THE PURPOSE OF THE AUDIT IS TO DETERMINE IF
11 THE LICENSE FACILITY FEES ARE BEING USED IN THE MOST EFFICIENT
12 MANNER FOR THE ADMINISTRATION AND ENFORCEMENT REQUIREMENTS
13 FOR HEALTH-CARE FACILITIES. THE STATE AUDITOR SHALL IMPLEMENT
14 THIS SECTION USING EXISTING APPROPRIATIONS TO THE OFFICE OF THE
15 STATE AUDITOR.

16 **SECTION 2.** In Colorado Revised Statutes, 25-3-105, **amend**
17 (1)(a)(I)(A) and (1)(a)(I)(B); and **add** (1)(a)(I)(B.5) as follows:

18 **25-3-105. License - fee - rules - performance incentive system**
19 **- penalty.** (1) (a) (I) (A) Subject to the limitations in ~~sub-subparagraph~~
20 ~~(B) of this subparagraph (F)~~ SUBSECTIONS (1)(a)(I)(B) AND (1)(a)(I)(B.5)
21 OF THIS SECTION, the state board of health shall establish a schedule of
22 fees, which must be set at a level sufficient to meet the direct and indirect
23 costs of administration and enforcement of this ~~article~~ ARTICLE 3, as
24 appropriated by the general assembly for each fiscal year, less any
25 ~~moneys~~ MONEY appropriated for the same fiscal year by the general

1 assembly from any other source to meet such costs. The fee schedule
2 must also ensure that the reserve balance in the health facilities general
3 licensure cash fund, created in section 25-3-103.1 (1), is consistent with
4 the limits specified in section 24-75-402 (3) ~~C.R.S.~~, and must be
5 modified, as necessary, to comply with ~~said~~ THE limits. The state board
6 shall establish and modify, as necessary, the fee schedule by rules adopted
7 in accordance with article 4 of title 24. ~~C.R.S.~~ Except as specified in
8 ~~subparagraph (H) of this paragraph (a)~~ SUBSECTION (1)(a)(II) OF THIS
9 SECTION, the department of public health and environment may assess
10 fees in accordance with the fee schedule established by the state board
11 against health facilities licensed by the department. All fees collected
12 pursuant to the fee schedule must be deposited in the health facilities
13 general licensure cash fund, created in section 25-3-103.1 (1), and are
14 subject to appropriation by the general assembly in accordance with
15 section 25-3-103.1 (2).

16 (B) On or after June 4, 2012, AND UNTIL JUNE 30, 2025, the state
17 board of health may increase the amount of any fee on the schedule of
18 fees established pursuant to subsection (1)(a)(I)(A) of this section that is
19 in effect on June 4, 2012, by an amount not to exceed the annual
20 percentage change in the United States department of labor, bureau of
21 labor statistics, consumer price index for Denver-Aurora-Lakewood for
22 all urban consumers and all goods, or its applicable predecessor or
23 successor index. Nothing in this subsection (1)(a)(I)(B) limits the ability
24 of the state board of health to reduce the amount of any fee on the
25 schedule of fees in effect on such date or to modify fees as necessary to
26 comply with section 24-75-402. Notwithstanding the requirements of this
27 subsection (1)(a)(I)(B), the state board of health may assess fees

1 necessary to cover the costs associated with the surveys conducted
2 pursuant to section 25-3-128.

3 (B.5) FOR STATE FISCAL YEAR 2025-26 AND EACH FISCAL YEAR
4 THEREAFTER, THE SCHEDULE OF FEES ADOPTED BY THE STATE BOARD OF
5 HEALTH PURSUANT TO SUBSECTION (1)(a)(I)(A) OF THIS SECTION MUST BE
6 UPDATED AND PUBLISHED BY MARCH 1 OF THE YEAR THAT THE FEES WILL
7 TAKE EFFECT. THE FEES ARE NOT SUBJECT TO RULE-MAKING BY THE STATE
8 BOARD OF HEALTH. THE SCHEDULE OF FEES MUST INCREASE EIGHT
9 PERCENT FOR STATE FISCAL YEAR 2025-26; SIX PERCENT FOR EACH OF THE
10 STATE FISCAL YEARS 2026-27, 2027-28, AND 2028-29; AND, FOR STATE
11 FISCAL YEAR 2029-30, AND EACH YEAR THEREAFTER, THE INCREASE MUST
12 BE EQUAL TO THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES
13 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE
14 INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR
15 ALL ITEMS PAID BY URBAN CONSUMERS.

16 **SECTION 3.** In Colorado Revised Statutes, 25-27-107, **amend**
17 (1.5)(a); and **add** (1.7) as follows:

18 **25-27-107. License fees - rules.** (1.5) (a) No later than January
19 1, 2009, the state board shall promulgate rules establishing a schedule of
20 fees sufficient to meet the direct and indirect costs of administration and
21 enforcement of this article 27. The rules shall set a lower fee for facilities
22 with a high medicaid utilization rate as defined by the state board. The
23 rules shall be adopted in accordance with article 4 of title 24. On or after
24 August 1, 2019, BUT BEFORE JULY 1, 2025, fees established pursuant to
25 this section are subject to the limitations specified in section 25-3-105
26 (1)(a)(I)(B). The state board may increase a fee on the schedule
27 established pursuant to this section that is in effect on August 1, 2019,

1 only in accordance with ~~section 25-3-105 (1)(a)(I)(B)~~ SECTION 25-3-105
2 (1)(a)(I).

3 (1.7) FOR STATE FISCAL YEAR 2025-26 AND EACH FISCAL YEAR
4 THEREAFTER, THE SCHEDULE OF FEES ADOPTED BY THE STATE BOARD
5 PURSUANT TO SECTION 25-3-105 (1)(a)(I)(A) MUST BE UPDATED AND
6 PUBLISHED BY MARCH 1 OF THE YEAR THAT THE FEES WILL TAKE EFFECT.
7 THE FEES ARE NOT SUBJECT TO RULE-MAKING BY THE STATE BOARD. THE
8 FEES MUST INCREASE:

9 (a) FOR STATE FISCAL YEAR 2025-26, EIGHT PERCENT FROM THE
10 FEES ON THE SCHEDULE OF FEES ESTABLISHED PURSUANT TO SUBSECTION
11 (1.5)(a) OF THIS SECTION;

12 (b) FOR EACH OF STATE FISCAL YEARS 2026-27, 2027-28, AND
13 2028-29, SIX PERCENT; AND

14 (c) FOR STATE FISCAL YEAR 2029-30 AND FOR EACH STATE FISCAL
15 YEAR THEREAFTER, AN AMOUNT THAT IS EQUAL TO THE ANNUAL
16 PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S
17 BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR
18 INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN
19 CONSUMERS.

20 **SECTION 4.** In Colorado Revised Statutes, 25-27.5-104, **amend**
21 **as it will become effective July 1, 2024,** (1)(g) as follows:

22 **25-27.5-104. Minimum standards for home care agencies and**
23 **home care placement agencies - rules - advisory committee.** (1) The
24 state board shall promulgate rules pursuant to section 24-4-103 providing
25 minimum standards for the operation of home care agencies and home
26 care placement agencies within the state of Colorado that apply regardless
27 of the source of payment for the home care services or the diagnosis of

1 the home care consumer. In promulgating these rules, the state board shall
2 establish different requirements appropriate to the various types of skilled
3 home health and personal care services, including differentiating
4 requirements for providers that are substantially funded through medicare
5 and medicaid reimbursement, providers for the program of all-inclusive
6 care for the elderly established in section 25.5-5-412, providers that are
7 already licensed under this title 25, and providers that are solely or
8 substantially privately funded. This differentiation must include
9 consideration of the requirements already imposed by other federal and
10 state regulatory agencies and must require the department of health care
11 policy and financing and the department to work jointly to resolve
12 differing requirements. The rules must include the following:

13 (g) (I) **Fees for home care agency licensure.** Home care agency
14 fees are payable to the home care agency cash fund. The annual fee must
15 include a component that reflects whether a survey is planned for the year
16 based on the agency's compliance history. FOR STATE FISCAL YEAR
17 2024-25, the state board shall develop a methodology for establishing
18 differentiating fees for licensure of home care agencies to reflect the
19 differences in type, scope, and volume of services provided by the various
20 types of home care agencies, including their volume of medicaid and
21 medicare services, and that allows for reduced fees for home care
22 agencies that are certified prior to initial license application. The
23 department shall not charge a duplicate fee for survey work conducted
24 pursuant to its role as state survey agency for the federal centers for
25 medicare and medicaid services or the Colorado department of health care
26 policy and financing.

27 (II) ~~Notwithstanding section 25-3-105 (1)(a)(I)(B),~~ FOR STATE

1 FISCAL YEAR 2025-26 AND EACH FISCAL YEAR THEREAFTER, THE
2 SCHEDULE OF FEES ADOPTED BY THE STATE BOARD PURSUANT TO SECTION
3 25-3-105 (1)(a)(I)(A) MUST BE UPDATED AND PUBLISHED BY MARCH 1 OF
4 THE YEAR THAT THE FEES WILL TAKE EFFECT. THE FEES ARE NOT SUBJECT
5 TO RULE-MAKING BY THE STATE BOARD. ~~The state board may set and~~
6 ~~adjust~~ licensure fees for home care agencies MUST BE INCREASED as
7 ~~appropriate based on the differentiating fee methodology developed by~~
8 ~~the state board pursuant to this paragraph (g)~~. FOLLOWS:

9 (A) FOR STATE FISCAL YEAR 2025-26, EIGHT PERCENT FROM THE
10 FEES ON THE SCHEDULE OF FEES ESTABLISHED PURSUANT TO SUBSECTION
11 (1)(g)(I) OF THIS SECTION;

12 (B) FOR EACH OF STATE FISCAL YEARS 2026-27, 2027-28, AND
13 2028-29, SIX PERCENT; AND

14 (C) FOR STATE FISCAL YEAR 2029-30 AND FOR EACH STATE FISCAL
15 YEAR THEREAFTER, AN AMOUNT EQUAL TO THE ANNUAL PERCENTAGE
16 CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF
17 LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
18 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN
19 CONSUMERS.

20 **SECTION 5. Effective date.** This act takes effect July 1, 2024.

21 **SECTION 6. Safety clause.** The general assembly finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety or for appropriations for
24 the support and maintenance of the departments of the state and state
25 institutions.