

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

**REVISED**

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

LLS NO. 26-0803.01 Richard Sweetman x4333

**HOUSE BILL 26-1244**

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**HOUSE SPONSORSHIP**

**Slaugh and Joseph**, Bacon, Duran, Lieder, Woodrow

**SENATE SPONSORSHIP**

**Frizell and Exum**,

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**House Committees**  
Health & Human Services

**Senate Committees**  
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**A BILL FOR AN ACT**

101      **CONCERNING CONSIDERATIONS FOR THE DEPARTMENT OF PUBLIC**  
102                    **HEALTH AND ENVIRONMENT TO USE AS A BASIS FOR MAKING**  
103                    **DISTRIBUTIONS FROM THE NURSING HOME PENALTY CASH FUND.**

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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>.)*

Current law requires the department of public health and environment (CDPHE) to consider certain criteria as a basis for distributing grants from the nursing home penalty cash fund (fund). The bill strikes these criteria and instead requires CDPHE to distribute such grants in accordance with priorities and allowable uses identified by 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 8, 2026

HOUSE  
3rd Reading Unamended  
March 13, 2026

HOUSE  
Amended 2nd Reading  
March 12, 2026

centers for medicare and medicaid services within the federal department of health and human services (centers).

Current law requires the nursing home innovations grant board (board) to make recommendations for the approval of grants from the fund. The bill requires such recommendations to be consistent with the processes for grant cycles of, and priorities and allowable uses identified by, the centers.

Current law requires CDPHE and the department of health care policy and financing, with the board's assistance, to jointly submit an annual report to the governor and certain legislative committees of reference regarding the expenditure of money in the fund. The bill changes the due date of the report from October 1 to January 1.

In current law, the term "benefit residents of nursing facilities" is defined to mean that a grant has a direct impact on the residents of nursing facilities or has an indirect impact on the residents through education of nursing facility staff. The bill amends this definition to include training, as well as education, of nursing facility staff.

Current law states that a governmental entity may not apply for or receive a grant from the fund unless the entity is a facility that is owned or operated by a governmental agency and licensed as a nursing care facility. The bill removes this restriction.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-1-107.5, **amend**  
3 **(1), (4)(c)(II), (4)(d)(II.5)(A), (4)(d)(II.5)(B), and (6)(d)** as follows:

4 **25-1-107.5. Additional authority of department - rules -**  
5 **remedies against nursing facilities - criteria for recommending**  
6 **assessments for civil penalties - cooperation with department of**  
7 **health care policy and financing - nursing home penalty cash fund -**  
8 **nursing home innovations grant board - reports - transfer of**  
9 **contracts to the department.**

10 (1) ~~For the purposes of AS USED IN~~ this section, unless the context  
11 otherwise requires:

12   
13 **(a) ~~Repeated.~~ "BENEFIT RESIDENTS OF NURSING FACILITIES" MEANS**

1 THAT A GRANT HAS A DIRECT IMPACT ON THE RESIDENTS OF NURSING  
2 FACILITIES OR HAS AN INDIRECT IMPACT ON THE RESIDENTS THROUGH  
3 EDUCATION OR TRAINING OF NURSING FACILITY STAFF.

4 (b) "Federal regulations for participation" means the regulations  
5 found in part 442 of title 42 of the code of federal regulations, as  
6 amended, for participation under Title XIX of the federal "Social Security  
7 Act", as amended. "BOARD" MEANS THE NURSING HOME INNOVATIONS  
8 GRANT BOARD, AUTHORIZED BY SUBSECTION (6) OF THIS SECTION.

9 (b.5) "Benefit residents of nursing facilities" means that a grant  
10 has a direct impact on the residents of nursing facilities or has an indirect  
11 impact on the residents through education of nursing facility staff.

12 (b.7) "Board" means the nursing home innovations grant board,  
13 authorized by subsection (6) of this section.

14 (c) "Nursing facility" means any skilled or intermediate nursing  
15 care facility that receives federal and state funds under Title XIX of the  
16 federal "Social Security Act", as amended. "DEPARTMENTS" MEANS THE  
17 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AND THE  
18 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

19 (d) "FEDERAL REGULATIONS FOR PARTICIPATION" MEANS THE  
20 REGULATIONS FOUND IN PART 442 OF TITLE 42 OF THE CODE OF FEDERAL  
21 REGULATIONS, AS AMENDED, FOR PARTICIPATION UNDER TITLE XIX OF  
22 THE FEDERAL "SOCIAL SECURITY ACT", AS AMENDED.

23 (e) "NURSING FACILITY" MEANS ANY SKILLED OR INTERMEDIATE  
24 NURSING CARE FACILITY THAT RECEIVES FEDERAL AND STATE FUNDS  
25 UNDER TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT", AS  
26 AMENDED.

27 (4) (c) The departments shall consider, as a basis for distribution

1 from the nursing home penalty cash fund, the following:

2 (II) Grants to be approved for measures AND PROJECTS that will  
3 benefit residents of nursing facilities by fostering innovation and  
4 improving the quality of life and care at the facilities, ~~including, but not~~  
5 ~~limited to:~~ IN ACCORDANCE WITH PRIORITIES AND ALLOWABLE USES  
6 IDENTIFIED BY THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID  
7 SERVICES.

8 ~~(A) Consumer education to promote resident-centered care in~~  
9 ~~nursing facilities;~~

10 ~~(B) (Deleted by amendment, L. 2014.)~~

11 ~~(C) Initiatives in nursing facilities related to the quality measures~~  
12 ~~promoted by the federal centers for medicare and medicaid services and~~  
13 ~~other national quality initiatives;~~

14 ~~(D) Education and consultation for purposes of identifying and~~  
15 ~~implementing resident-centered care initiatives in nursing facilities; and~~

16 ~~(E) Projects that support or compliment statewide quality and~~  
17 ~~safety goals of the departments.~~

18 (d) (II.5) (A) The board shall make recommendations for the  
19 approval of grants, ~~that benefit residents of nursing facilities for at least~~  
20 ~~one year and not more than three-year cycles. The projects awarded via~~  
21 ~~grants must be portable, sustainable, and replicable in other nursing~~  
22 ~~facilities~~ WHICH RECOMMENDATIONS MUST BE CONSISTENT WITH THE  
23 PROCESSES FOR GRANT CYCLES OF, AND PRIORITIES AND ALLOWABLE USES  
24 IDENTIFIED BY, THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID  
25 SERVICES.

26 (B) The department and the board shall develop processes for  
27 grant payments, which processes may allow grant payments to be made

1 in advance of the delivery of goods and services to grantees. Grantees  
2 receiving advance payments shall report progress to the board. ~~No state~~  
3 ~~agency, nor any other governmental entity, with the exception of a facility~~  
4 ~~that is owned or operated by a governmental agency and that is licensed~~  
5 ~~as a nursing care facility under section 25-1.5-103 (1)(a)(I)(A), may apply~~  
6 ~~for or receive a grant under this subsection (4).~~

7 (6) (d) ~~By October 1~~ ON OR BEFORE JANUARY 1 of each year, the  
8 departments, with the assistance of the board, shall jointly submit a report  
9 to the governor and the health and human services committee of the  
10 senate and the ~~public health care~~ and human services committee of the  
11 house of representatives, ~~of the general assembly~~, or their successor  
12 committees, regarding the expenditure of ~~moneys~~ MONEY in the nursing  
13 home penalty cash fund for the purposes described in ~~subparagraph (H)~~  
14 ~~of paragraph (c) of subsection (4)~~ SUBSECTION (4)(c)(II) of this section.  
15 The report must detail the amount of ~~moneys~~ MONEY expended for such  
16 purposes, the recipients of the ~~funds~~ MONEY, the effectiveness of the use  
17 of the ~~funds~~ MONEY, and any other information deemed pertinent by the  
18 departments or requested by the governor or the committees.  
19 Notwithstanding ~~the requirement in~~ section 24-1-136 (11), ~~C.R.S.~~, the  
20 ~~report required~~ REPORTING REQUIREMENT DESCRIBED in this ~~paragraph (d)~~  
21 SUBSECTION (6)(d) continues indefinitely.

22 **SECTION 2. Act subject to petition - effective date -**  
23 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
24 the expiration of the ninety-day period after final adjournment of the  
25 general assembly (August 12, 2026, if adjournment sine die is on May 13,  
26 2026); except that, if a referendum petition is filed pursuant to section 1  
27 (3) of article V of the state constitution against this act or an item, section,

1 or part of this act within such period, then the act, item, section, or part  
2 will not take effect unless approved by the people at the general election  
3 to be held in November 2026 and, in such case, will take effect on the  
4 date of the official declaration of the vote thereon by the governor.

5 (2) This act applies to distributions from the nursing home penalty  
6 cash fund made on or after the applicable effective date of this act.