

CHAPTER 126

HEALTH AND ENVIRONMENT

HOUSE BILL 26-1244

BY REPRESENTATIVE(S) Slauch and Joseph, Bacon, Duran, Lieder, Woodrow;
also SENATOR(S) Frizell and Exum, Pelton R., Coleman.

AN ACT

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

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

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

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

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

(a) ~~Repealed.~~ "BENEFIT RESIDENTS OF NURSING FACILITIES" MEANS THAT A GRANT HAS A DIRECT IMPACT ON THE RESIDENTS OF NURSING FACILITIES OR HAS AN INDIRECT IMPACT ON THE RESIDENTS THROUGH EDUCATION OR TRAINING OF NURSING FACILITY STAFF.

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

~~(b.5) "Benefit residents of nursing facilities" means that a grant has a direct~~

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

~~impact on the residents of nursing facilities or has an indirect impact on the residents through education of nursing facility staff.~~

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

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

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

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

(4)(c) The departments shall consider, as a basis for distribution from the nursing home penalty cash fund, the following:

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

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

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

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

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

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

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

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

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

SECTION 2. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

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

Approved: May 6, 2026