

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

ENGROSSED

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

LLS NO. 19-0686.01 Jerry Barry x4341

HOUSE BILL 19-1237

HOUSE SPONSORSHIP

Cutter and Will,

SENATE SPONSORSHIP

Woodward,

House Committees

Public Health Care & Human Services
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING LICENSING BEHAVIORAL HEALTH ENTITIES.**

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>.)

Currently, certain entities that provide behavioral health services must hold various licenses issued by the department of public health and environment (DPHE) or the department of human services (DHS). The bill combines the various licenses into a single license as a behavioral health entity (BHE) and authorizes the state board of health to promulgate rules for the new license.

To accomplish the transition, the bill establishes a behavioral health entity implementation and advisory committee consisting of

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

HOUSE
Amended 2nd Reading
April 18, 2019

executive directors of certain state departments, or the director's designee, and representatives from various stakeholder groups.

The bill requires a BHE that was previously licensed by DPHE to obtain a BHE license by July 1, 2022. It requires a BHE that was previously licensed or approved by DHS to obtain a BHE license by July 1, 2024.

The bill makes conforming amendments, some of which have later effective dates.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 27.6 to
3 title 25 as follows:

4 **ARTICLE 27.6**

5 **Behavioral Health Entities**

6 **25-27.6-101. Legislative declaration.** (1) THE GENERAL
7 ASSEMBLY DECLARES THAT IN ORDER TO PROMOTE THE PUBLIC HEALTH
8 AND WELFARE OF THE PEOPLE OF COLORADO, IT IS IN THE PUBLIC INTEREST
9 TO ESTABLISH AND STREAMLINE MINIMUM STANDARDS AND RULES FOR
10 BEHAVIORAL HEALTH ENTITIES OPERATING IN THE STATE OF COLORADO
11 AND TO PROVIDE THE AUTHORITY FOR THE ADMINISTRATION AND
12 ENFORCEMENT OF SUCH MINIMUM STANDARDS AND RULES. THESE
13 STANDARDS AND RULES MUST BE SUFFICIENT TO ENSURE THE HEALTH,
14 SAFETY, AND WELFARE OF BEHAVIORAL HEALTH ENTITY CONSUMERS.

15 (2) THE INTENT OF CREATING THE BEHAVIORAL HEALTH ENTITY
16 LICENSE IS TO:

17 (a) PROVIDE A SINGLE, FLEXIBLE LICENSE CATEGORY UNDER
18 WHICH COMMUNITY-BASED BEHAVIORAL HEALTH SERVICE PROVIDERS CAN
19 PROVIDE INTEGRATED MENTAL HEALTH DISORDER, ALCOHOL USE
20 DISORDER, AND SUBSTANCE USE DISORDER SERVICES AND MEET A
21 CONSUMER'S CONTINUUM OF NEEDS, FROM CRISIS STABILIZATION TO

1 ONGOING TREATMENT;

2 (b) PROVIDE A REGULATORY FRAMEWORK FOR INNOVATIVE
3 BEHAVIORAL HEALTH SERVICE DELIVERY MODELS TO MEET THE NEEDS OF
4 BOTH INDIVIDUALS AND COMMUNITIES;

5 (c) INCREASE PARITY IN THE OVERSIGHT AND PROTECTION OF
6 CONSUMERS' HEALTH, SAFETY, AND WELFARE BETWEEN PHYSICAL HEALTH
7 AND BEHAVIORAL HEALTH REGARDLESS OF THE PAYMENT SOURCE; AND

8 (d) STREAMLINE AND CONSOLIDATE THE CURRENT REGULATORY
9 STRUCTURE TO ENHANCE COMMUNITY PROVIDERS' ABILITY TO DELIVER
10 TIMELY AND NEEDED SERVICES, WHILE ENSURING CONSUMER SAFETY.

11 (3) FURTHER, THE GENERAL ASSEMBLY DETERMINES AND
12 DECLARES THAT, IN ADMINISTERING AND ENFORCING STANDARDS FOR
13 BEHAVIORAL HEALTH ENTITIES, THE DEPARTMENT OF PUBLIC HEALTH AND
14 ENVIRONMENT SHOULD FOCUS ON BEHAVIORAL HEALTH ENTITY
15 CONSUMER SAFETY AND OUTCOMES; REDUCING REGULATORY GAPS,
16 DUPLICATION, AND CONFLICTS THAT HINDER ACCESS TO CARE; AND
17 ALLOWING FOR NEW, INNOVATIVE BEHAVIORAL HEALTH SERVICE TYPES
18 WITH MINIMAL BARRIERS.

19 (4) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
20 BEHAVIORAL HEALTH ENTITY LICENSE IS IMPLEMENTED IN TWO SEPARATE
21 PHASES AS FOLLOWS:

22 (a) PHASE ONE IMPLEMENTATION INCLUDES THE INCORPORATION
23 OF A FACILITY CURRENTLY LICENSED OR PREVIOUSLY ELIGIBLE FOR
24 LICENSURE AS AN ACUTE TREATMENT UNIT OR AS A COMMUNITY MENTAL
25 HEALTH CENTER, COMMUNITY MENTAL HEALTH CLINIC, OR CRISIS
26 STABILIZATION UNIT THAT WAS LICENSED AS A COMMUNITY CLINIC. SUCH
27 A FACILITY WILL TRANSITION TO THE BEHAVIORAL HEALTH ENTITY

1 LICENSE NO LATER THAN JULY 1, 2022, IN ACCORDANCE WITH SECTION
2 25-27.6-104 (1).

3 (b) PHASE TWO IMPLEMENTATION INCLUDES THE INCORPORATION
4 OF BEHAVIORAL HEALTH ENTITIES THAT PROVIDE BEHAVIORAL HEALTH
5 SERVICES FOR THE TREATMENT OF ALCOHOL USE DISORDERS AND
6 SUBSTANCE USE DISORDERS; EXCEPT THAT PHASE TWO SHALL NOT
7 INCLUDE CONTROLLED SUBSTANCE LICENSES CURRENTLY ISSUED BY THE
8 DEPARTMENT OF HUMAN SERVICES, WHICH SHALL BE STUDIED BY THE
9 BEHAVIORAL HEALTH ENTITY IMPLEMENTATION AND ADVISORY
10 COMMITTEE ESTABLISHED PURSUANT TO SECTION 25-27.6-103. SUCH
11 ENTITIES SHALL APPLY FOR LICENSURE AS BEHAVIORAL HEALTH ENTITIES
12 NO LATER THAN JULY 1, 2024, IN ACCORDANCE WITH SECTION 25-27.6-104
13 (1).

14 **25-27.6-102. Definitions.** AS USED IN THIS ARTICLE 27.6, UNLESS
15 THE CONTEXT OTHERWISE REQUIRES:

16 (1) "ACUTE TREATMENT UNIT" MEANS A FACILITY OR A DISTINCT
17 PART OF A FACILITY FOR SHORT-TERM PSYCHIATRIC CARE, WHICH MAY
18 INCLUDE TREATMENT FOR SUBSTANCE USE DISORDERS, THAT PROVIDES A
19 TOTAL, TWENTY-FOUR-HOUR, THERAPEUTICALLY PLANNED AND
20 PROFESSIONALLY STAFFED ENVIRONMENT FOR PERSONS WHO DO NOT
21 REQUIRE INPATIENT HOSPITALIZATION BUT NEED MORE INTENSE AND
22 INDIVIDUAL SERVICES THAN ARE AVAILABLE ON AN OUTPATIENT BASIS,
23 SUCH AS CRISIS MANAGEMENT AND STABILIZATION SERVICES.

24 (2) "ALCOHOL USE DISORDER" MEANS A CHRONIC RELAPSING
25 BRAIN DISEASE CHARACTERIZED BY RECURRENT USE OF ALCOHOL CAUSING
26 CLINICALLY SIGNIFICANT IMPAIRMENT, INCLUDING HEALTH PROBLEMS,
27 DISABILITY, AND FAILURE TO MEET MAJOR RESPONSIBILITIES AT WORK,

1 SCHOOL, AND HOME.

2 (3) "ALCOHOL USE DISORDER PROGRAM" MEANS A PROGRAM FOR
3 DIAGNOSIS, TREATMENT, AND REHABILITATION OF A PERSON WITH AN
4 ALCOHOL USE DISORDER.

5 (4) "BEHAVIORAL HEALTH" REFERS TO AN INDIVIDUAL'S MENTAL
6 ANDEMOITIONAL WELL-BEING AND ACTIONS THAT AFFECT AN INDIVIDUAL'S
7 OVERALL WELLNESS. BEHAVIORAL HEALTH ISSUES AND DISORDERS
8 INCLUDE SUBSTANCE USE DISORDERS, SERIOUS PSYCHOLOGICAL DISTRESS,
9 SUICIDE, AND OTHER MENTAL HEALTH DISORDERS, AND RANGE FROM
10 UNHEALTHY STRESS OR SUBCLINICAL CONDITIONS TO DIAGNOSABLE AND
11 TREATABLE DISEASES. THE TERM "BEHAVIORAL HEALTH" IS ALSO USED TO
12 DESCRIBE SERVICE SYSTEMS THAT ENCOMPASS PREVENTION AND
13 PROMOTION OF EMOTIONAL HEALTH AND PREVENTION AND TREATMENT
14 SERVICES FOR MENTAL HEALTH AND SUBSTANCE USE DISORDERS.

15 (5) "BEHAVIORAL HEALTH DISORDER" MEANS ONE OR MORE OF THE
16 FOLLOWING:

17 (a) AN ALCOHOL USE DISORDER AS DEFINED IN SUBSECTION (2) OF
18 THIS SECTION;

19 (b) A MENTAL HEALTH DISORDER, AS DEFINED IN SUBSECTION (12)
20 OF THIS SECTION; OR

21 (c) A SUBSTANCE USE DISORDER, AS DEFINED IN SUBSECTION (14)
22 OF THIS SECTION.

23 (6) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
24 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
25 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
26 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
27 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR

1 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
2 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

3 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
4 26-6-102 (33); OR

5 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
6 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
7 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

8 (7) "COMMUNITY-BASED" MEANS OUTSIDE OF A HOSPITAL,
9 PSYCHIATRIC HOSPITAL, OR NURSING HOME.

10 (8) "COMMUNITY MENTAL HEALTH CENTER" HAS THE SAME
11 MEANING AS DEFINED IN SECTION 27-66-101 (2).

12 (9) "COMMUNITY MENTAL HEALTH CLINIC" MEANS A HEALTH
13 INSTITUTION PLANNED, ORGANIZED, OPERATED, AND MAINTAINED TO
14 PROVIDE BASIC COMMUNITY SERVICES FOR THE PREVENTION, DIAGNOSIS,
15 AND TREATMENT OF EMOTIONAL, BEHAVIORAL, OR MENTAL HEALTH
16 DISORDERS, SUCH SERVICES BEING RENDERED PRIMARILY ON AN
17 OUTPATIENT AND CONSULTATIVE BASIS.

18 (10) "CRISIS STABILIZATION UNIT" MEANS A FACILITY THAT
19 PROVIDES SHORT-TERM, BED-BASED CRISIS STABILIZATION SERVICES IN A
20 TWENTY-FOUR-HOUR ENVIRONMENT FOR INDIVIDUALS WHO CANNOT BE
21 SERVED IN A LESS RESTRICTIVE ENVIRONMENT.

22 (11) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
23 PUBLIC HEALTH AND ENVIRONMENT.

24 (12) "MENTAL HEALTH DISORDER" MEANS ONE OR MORE
25 SUBSTANTIAL DISORDERS OF THE COGNITIVE, VOLITIONAL, OR EMOTIONAL
26 PROCESSES THAT GROSSLY IMPAIRS JUDGMENT OR CAPACITY TO
27 RECOGNIZE REALITY OR TO CONTROL BEHAVIOR. AN INTELLECTUAL OR

1 DEVELOPMENTAL DISABILITY ALONE IS INSUFFICIENT TO EITHER JUSTIFY
2 OR EXCLUDE A FINDING OF A MENTAL HEALTH DISORDER.

3 (13) "STATE BOARD" MEANS THE STATE BOARD OF HEALTH.

4 (14) "SUBSTANCE USE DISORDER" MEANS A CHRONIC RELAPSING
5 BRAIN DISEASE, CHARACTERIZED BY RECURRENT USE OF ALCOHOL, DRUGS,
6 OR BOTH, CAUSING CLINICALLY SIGNIFICANT IMPAIRMENT, INCLUDING
7 HEALTH PROBLEMS, DISABILITY, AND FAILURE TO MEET MAJOR
8 RESPONSIBILITIES AT WORK, SCHOOL, OR HOME.

9 (15) "SUBSTANCE USE DISORDER PROGRAM" MEANS A PROGRAM
10 FOR THE DETOXIFICATION, WITHDRAWAL, OR MAINTENANCE TREATMENT
11 OF A PERSON WITH A SUBSTANCE USE DISORDER.

12 **25-27.6-103. Behavioral health entity implementation and**
13 **advisory committee - creation - membership - duties - repeal.**

14 (1) THERE IS ESTABLISHED IN THE DEPARTMENT THE BEHAVIORAL HEALTH
15 ENTITY IMPLEMENTATION AND ADVISORY COMMITTEE, REFERRED TO IN
16 THIS SECTION AS THE "COMMITTEE". THE COMMITTEE SHALL:

17 (a) OFFER ADVICE TO THE DEPARTMENT AND THE STATE BOARD
18 CONCERNING THE PHASED-IN IMPLEMENTATION OF THE BEHAVIORAL
19 HEALTH ENTITY LICENSE, RULES PROMULGATED BY THE STATE BOARD
20 PURSUANT TO THIS ARTICLE 27.6, AND IMPLEMENTATION OF THE
21 BEHAVIORAL HEALTH ENTITY LICENSING TRANSITION;

22 (b) PROVIDE ONGOING ADVICE TO THE DEPARTMENT REGARDING
23 BEHAVIORAL HEALTH ENTITIES AND BEHAVIORAL HEALTH ENTITY
24 LICENSING; AND

25 (c) IDENTIFY A COORDINATED AND ALIGNED PROCESS OF SHARING
26 INFORMATION ACROSS STATE DEPARTMENTS TO ENSURE BEHAVIORAL
27 HEALTH SERVICES ARE AVAILABLE TO ALL RESIDENTS OF COLORADO.

- 1 (2) (a) THE COMMITTEE CONSISTS OF:
- 2 (I) THE EXECUTIVE DIRECTORS OF THE DEPARTMENTS OF PUBLIC
- 3 HEALTH AND ENVIRONMENT, HUMAN SERVICES, HEALTH CARE POLICY AND
- 4 FINANCING, AND PUBLIC SAFETY OR THEIR DESIGNEES; AND
- 5 (II) THE FOLLOWING MEMBERS TO BE APPOINTED BY THE
- 6 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND
- 7 ENVIRONMENT:
- 8 (A) ONE MEMBER THAT REPRESENTS CRISIS STABILIZATION UNITS
- 9 OR ACUTE TREATMENT UNITS;
- 10 (B) ONE MEMBER THAT REPRESENTS COMMUNITY MENTAL HEALTH
- 11 CENTERS;
- 12 (C) ONE MEMBER THAT REPRESENTS A MENTAL HEALTH PROVIDER
- 13 THAT IS NOT A COMMUNITY MENTAL HEALTH CENTER;
- 14 (D) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE
- 15 USE DISORDER TREATMENT SERVICES THAT IS NOT A COMMUNITY HEALTH
- 16 CENTER;
- 17 (E) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE
- 18 USE DISORDER WITHDRAWAL MANAGEMENT SERVICES THAT IS NOT A
- 19 COMMUNITY HEALTH CENTER;
- 20 (F) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE
- 21 USE DISORDER SERVICES THAT MEETS THE DEFINITION OF BEHAVIORAL
- 22 HEALTH ENTITY IN SECTION 25-27.6-102 (6) BUT HAS NOT BEEN SUBJECT
- 23 TO LICENSURE BY THE DEPARTMENT;
- 24 (G) ONE MEMBER THAT REPRESENTS A SUBSTANCE USE TREATMENT
- 25 PROVIDER FROM A RURAL OR FRONTIER COUNTY;
- 26 (H) ONE MEMBER WHO IS A CONSUMER WHO HAS EXPERIENCE
- 27 LIVING WITH A SUBSTANCE USE DISORDER;

1 (I) ONE MEMBER THAT REPRESENTS BEHAVIORAL HEALTH
2 CONSUMERS;

3 (J) ONE MEMBER THAT REPRESENTS FAMILY MEMBERS OF PERSONS
4 WITH A BEHAVIORAL HEALTH DISORDER; AND

5 (K) ONE MEMBER FROM AN ADVOCACY ORGANIZATION THAT
6 REPRESENTS BEHAVIORAL HEALTH CONSUMERS.

7 (b) IN MAKING THE APPOINTMENTS PURSUANT TO SUBSECTION
8 (2)(a)(II), THE EXECUTIVE DIRECTOR SHALL CONSIDER THE GEOGRAPHIC
9 DIVERSITY OF THE STATE.

10 (3) THE EXECUTIVE DIRECTORS SHALL AGREE TO SERVE OR MAKE
11 THEIR DESIGNATIONS NO LATER THAN SEPTEMBER 1, 2019. THE
12 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND
13 ENVIRONMENT SHALL MAKE HIS OR HER INITIAL APPOINTMENTS BY
14 OCTOBER 1, 2019. IN CASE OF A VACANCY, AN EXECUTIVE DIRECTOR
15 SHALL AGREE TO SERVE OR MAKE A DESIGNATION, AND THE EXECUTIVE
16 DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
17 SHALL MAKE THE REPLACEMENT APPOINTMENT AS SOON AS PRACTICABLE.

18 (4) MEMBERS OF THE COMMITTEE SERVE ON A VOLUNTARY BASIS
19 AND SERVE WITHOUT COMPENSATION; EXCEPT THAT MEMBERS ARE
20 REIMBURSED FOR THE ACTUAL AND REASONABLE EXPENSES INCURRED
21 WHILE PERFORMING THEIR DUTIES.

22 (5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.
23 BEFORE THE REPEAL, THE COMMITTEE IS SCHEDULED FOR REVIEW IN
24 ACCORDANCE WITH SECTION 2-3-1203.

25 **25-27.6-104. License required - criminal and civil penalties.**

26 (1) (a) ON OR AFTER JULY 1, 2022, IT IS UNLAWFUL FOR ANY PERSON,
27 PARTNERSHIP, ASSOCIATION, OR CORPORATION TO CONDUCT OR MAINTAIN

1 A BEHAVIORAL HEALTH ENTITY WITHOUT HAVING OBTAINED A LICENSE
2 FROM THE DEPARTMENT.

3 (b) ON OR AFTER JULY 1, 2021, AN ENTITY SEEKING INITIAL
4 LICENSURE AS A BEHAVIORAL HEALTH ENTITY SHALL APPLY FOR A
5 BEHAVIORAL HEALTH ENTITY LICENSE IF THE ENTITY WOULD PREVIOUSLY
6 HAVE BEEN LICENSED AS AN ACUTE TREATMENT UNIT OR AS A COMMUNITY
7 MENTAL HEALTH CENTER, COMMUNITY MENTAL HEALTH CLINIC, OR CRISIS
8 STABILIZATION UNIT LICENSED AS A COMMUNITY CLINIC.

9 (c) A FACILITY LICENSED AS OF JUNE 30, 2021, AS AN ACUTE
10 TREATMENT UNIT, COMMUNITY MENTAL HEALTH CENTER, COMMUNITY
11 MENTAL HEALTH CLINIC, OR CRISIS STABILIZATION UNIT LICENSED AS A
12 COMMUNITY CLINIC SHALL APPLY FOR A BEHAVIORAL HEALTH ENTITY
13 LICENSE PRIOR TO THE EXPIRATION OF THE FACILITY'S CURRENT LICENSE.
14 SUCH A FACILITY IS SUBJECT TO THE STANDARDS UNDER WHICH IT IS
15 LICENSED AS OF JULY 1, 2021, UNTIL SUCH TIME AS THE BEHAVIORAL
16 HEALTH ENTITY LICENSE IS ISSUED.

17 (2) ANY PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION
18 IS GUILTY OF A MISDEMEANOR, AND UPON CONVICTION THEREOF, SHALL
19 BE PUNISHED BY A FINE OF NOT LESS THAN FIFTY DOLLARS NOR MORE
20 THAN FIVE HUNDRED DOLLARS AND MAY BE SUBJECT TO A CIVIL PENALTY
21 ASSESSED BY THE DEPARTMENT OF NOT LESS THAN FIFTY DOLLARS NOR
22 MORE THAN ONE HUNDRED DOLLARS FOR EACH DAY THE PERSON IS IN
23 VIOLATION OF THIS SECTION. THE ASSESSED PENALTY ACCRUES FROM THE
24 DATE THE DEPARTMENT FINDS THAT THE PERSON IS IN VIOLATION OF THIS
25 SECTION. THE DEPARTMENT SHALL ASSESS, ENFORCE, AND COLLECT THE
26 PENALTY IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24 AND CREDIT THE
27 MONEY TO THE GENERAL FUND. ENFORCEMENT AND COLLECTION OF THE

1 PENALTY OCCURS FOLLOWING THE DECISION REACHED IN ACCORDANCE
2 WITH PROCEDURES SET FORTH IN SECTION 24-4-105.

3 **25-27.6-105. Minimum standards for behavioral health**
4 **entities - rules.** (1) ON OR BEFORE APRIL 30, 2021, THE STATE BOARD
5 SHALL PROMULGATE RULES PURSUANT TO SECTION 24-4-103 PROVIDING
6 MINIMUM STANDARDS FOR THE OPERATION OF BEHAVIORAL HEALTH
7 ENTITIES WITHIN THE STATE. IN PROMULGATING THE RULES, THE STATE
8 BOARD SHALL ESTABLISH REQUIREMENTS APPROPRIATE TO THE VARIOUS
9 TYPES OF SERVICES PROVIDED BY BEHAVIORAL HEALTH ENTITIES.

10 (2) ON OR BEFORE APRIL 30, 2021, THE STATE BOARD SHALL
11 PROMULGATE RULES THAT MUST INCLUDE THE FOLLOWING:

12 (a) BASIC REQUIREMENTS TO BE MET BY ALL BEHAVIORAL HEALTH
13 ENTITIES TO ENSURE THE HEALTH, SAFETY, AND WELFARE OF ALL
14 BEHAVIORAL HEALTH ENTITY CONSUMERS, INCLUDING, AT A MINIMUM:

15 (I) CONSUMER ASSESSMENT, CARE COORDINATION, PATIENT
16 RIGHTS, AND CONSUMER NOTICE REQUIREMENTS;

17 (II) ADMINISTRATIVE AND OPERATIONAL STANDARDS FOR
18 GOVERNANCE; CONSUMER RECORDS AND RECORD RETENTION; PERSONNEL,
19 ADMISSION, AND DISCHARGE CRITERIA; POLICIES AND PROCEDURES; AND
20 QUALITY MANAGEMENT;

21 (III) PHYSICAL PLANT STANDARDS, INCLUDING INFECTION
22 CONTROL; AND

23 (IV) OCCURRENCE REPORTING REQUIREMENTS PROMULGATED
24 PURSUANT TO SECTION 25-1-124;

25 (b) SERVICE-SPECIFIC REQUIREMENTS THAT APPLY ONLY TO
26 BEHAVIORAL HEALTH ENTITIES ELECTING TO PROVIDE THAT SERVICE,
27 INCLUDING, AT A MINIMUM, STANDARDS FOR THE SERVICES INCLUDED IN

1 THE DEFINITIONS IN SECTION 25-27.6-102 OF ACUTE TREATMENT UNIT,
2 COMMUNITY MENTAL HEALTH CENTER, COMMUNITY MENTAL HEALTH
3 CLINIC, CRISIS STABILIZATION UNIT, AND WALK-IN CENTERS THAT MEET
4 THE REGULATORY REQUIREMENTS FOR LICENSING AND OPERATIONS;

5 (c) MANDATORY DEPARTMENT INSPECTIONS OF BEHAVIORAL
6 HEALTH ENTITIES;

7 (d) BEHAVIORAL HEALTH ENTITY WRITTEN PLANS, DETAILING THE
8 MEASURES THAT WILL BE TAKEN TO CORRECT VIOLATIONS FOUND AS A
9 RESULT OF INSPECTIONS, SUBMITTED TO THE DEPARTMENT FOR APPROVAL;

10 (e) INTERMEDIATE ENFORCEMENT REMEDIES IMPOSED BY THE
11 DEPARTMENT AS AUTHORIZED IN SECTION 25-27.6-110 (2)(b);

12 (f) FACTORS FOR BEHAVIORAL HEALTH ENTITIES TO CONSIDER
13 WHEN DETERMINING WHETHER AN APPLICANT'S CONVICTION OF OR PLEA
14 OF GUILTY OR NOLO CONTENDERE TO AN OFFENSE DISQUALIFIES THE
15 APPLICANT FROM EMPLOYMENT WITH THE BEHAVIORAL HEALTH ENTITY.
16 THE STATE BOARD MAY DETERMINE WHICH OFFENSES REQUIRE
17 CONSIDERATION OF THESE FACTORS.

18 (g) TIMELINES FOR COMPLIANCE WITH BEHAVIORAL HEALTH
19 ENTITY STANDARDS THAT EXCEED THE STANDARDS UNDER WHICH A
20 BEHAVIORAL HEALTH ENTITY WAS PREVIOUSLY LICENSED OR APPROVED.

21 **25-27.6-106. License - application - inspection - issuance.**

22 (1) AN APPLICATION FOR A LICENSE TO OPERATE A BEHAVIORAL HEALTH
23 ENTITY MUST BE SUBMITTED TO THE DEPARTMENT ANNUALLY UPON THE
24 FORM AND IN THE MANNER AS PRESCRIBED BY THE DEPARTMENT.

25 (2) (a) (I) THE DEPARTMENT SHALL INVESTIGATE AND REVIEW
26 EACH ORIGINAL APPLICATION AND EACH RENEWAL APPLICATION FOR A
27 LICENSE TO OPERATE A BEHAVIORAL HEALTH ENTITY. THE DEPARTMENT

1 SHALL DETERMINE AN APPLICANT'S COMPLIANCE WITH THIS ARTICLE 27.6
2 AND THE RULES ADOPTED PURSUANT TO SECTION 25-27.6-105 BEFORE THE
3 DEPARTMENT ISSUES A LICENSE.

4 (II) THE DEPARTMENT SHALL MAKE INSPECTIONS OF THE
5 APPLICANT'S FACILITIES AS IT DEEMS NECESSARY TO ENSURE THAT THE
6 HEALTH, SAFETY, AND WELFARE OF THE BEHAVIORAL HEALTH ENTITY'S
7 CONSUMERS ARE BEING PROTECTED. THE BEHAVIORAL HEALTH ENTITY
8 SHALL SUBMIT IN WRITING, IN A FORM PRESCRIBED BY THE DEPARTMENT,
9 A PLAN DETAILING THE MEASURES THAT WILL BE TAKEN TO CORRECT ANY
10 VIOLATIONS FOUND BY THE DEPARTMENT AS A RESULT OF INSPECTIONS
11 UNDERTAKEN PURSUANT TO THIS SUBSECTION (2).

12 (b) THE DEPARTMENT SHALL KEEP ALL HEALTH CARE
13 INFORMATION OR DOCUMENTS OBTAINED DURING AN INSPECTION OR
14 INVESTIGATION OF A BEHAVIORAL HEALTH ENTITY PURSUANT TO
15 SUBSECTION (2)(a) OF THIS SECTION CONFIDENTIAL. ALL RECORDS,
16 INFORMATION, OR DOCUMENTS SO OBTAINED ARE EXEMPT FROM
17 DISCLOSURE PURSUANT TO SECTIONS 24-72-204 AND 25-1-124.

18 (3) (a) WITH THE SUBMISSION OF AN APPLICATION FOR A LICENSE
19 TO OPERATE A BEHAVIORAL HEALTH ENTITY, OR WITHIN TEN DAYS AFTER
20 A CHANGE IN OWNER OR MANAGER OF A BEHAVIORAL HEALTH ENTITY,
21 EACH OWNER AND MANAGER SHALL SUBMIT A COMPLETE SET OF HIS OR
22 HER FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
23 PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL HISTORY
24 RECORD CHECK. THE COLORADO BUREAU OF INVESTIGATION SHALL
25 FORWARD THE FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION
26 FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY
27 RECORD CHECKS. EACH OWNER AND EACH MANAGER SHALL PAY THE

1 BUREAU THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED CRIMINAL
2 HISTORY RECORD CHECK. UPON COMPLETION OF THE CRIMINAL HISTORY
3 RECORD CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO THE
4 DEPARTMENT. THE DEPARTMENT MAY ACQUIRE A NAME-BASED CRIMINAL
5 HISTORY RECORD CHECK FOR AN APPLICANT WHO HAS TWICE SUBMITTED
6 TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE
7 FINGERPRINTS ARE UNCLASSIFIABLE.

8 (b) THE DEPARTMENT SHALL USE THE INFORMATION FROM THE
9 CRIMINAL HISTORY RECORD CHECKS PERFORMED PURSUANT TO
10 SUBSECTION (3)(a) OF THIS SECTION TO DETERMINE WHETHER THE PERSON
11 APPLYING FOR LICENSURE HAS BEEN CONVICTED OF A FELONY OR
12 MISDEMEANOR THAT INVOLVES CONDUCT THAT THE DEPARTMENT
13 DETERMINES COULD POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF
14 BEHAVIORAL HEALTH ENTITY CONSUMERS. THE DEPARTMENT SHALL KEEP
15 INFORMATION OBTAINED IN ACCORDANCE WITH THIS SECTION
16 CONFIDENTIAL.

17 (4) THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO OPERATE A
18 BEHAVIORAL HEALTH ENTITY IF THE OWNER OR MANAGER OF THE
19 BEHAVIORAL HEALTH ENTITY HAS BEEN CONVICTED OF A FELONY OR
20 MISDEMEANOR THAT INVOLVES CONDUCT THAT THE DEPARTMENT
21 DETERMINES COULD POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF
22 THE BEHAVIORAL HEALTH ENTITY'S CONSUMERS.

23 (5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS
24 SECTION, THE DEPARTMENT SHALL ISSUE OR RENEW A LICENSE TO
25 OPERATE A BEHAVIORAL HEALTH ENTITY WHEN IT IS SATISFIED THAT THE
26 APPLICANT OR LICENSEE IS IN COMPLIANCE WITH THE REQUIREMENTS SET
27 FORTH IN THIS ARTICLE 27.6 AND THE RULES PROMULGATED PURSUANT TO

1 THIS ARTICLE 27.6. EXCEPT FOR PROVISIONAL LICENSES ISSUED IN
2 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION, A LICENSE ISSUED
3 OR RENEWED PURSUANT TO THIS SECTION EXPIRES ONE YEAR AFTER THE
4 DATE OF ISSUANCE OR RENEWAL.

5 (6) THE DEPARTMENT MAY ISSUE A PROVISIONAL LICENSE TO
6 OPERATE A BEHAVIORAL HEALTH ENTITY TO AN APPLICANT FOR THE
7 PURPOSE OF OPERATING A BEHAVIORAL HEALTH ENTITY FOR A PERIOD OF
8 NINETY DAYS IF THE APPLICANT IS TEMPORARILY UNABLE TO CONFORM TO
9 ALL OF THE MINIMUM STANDARDS REQUIRED PURSUANT TO THIS ARTICLE
10 27.6; EXCEPT THAT THE DEPARTMENT SHALL NOT ISSUE A PROVISIONAL
11 LICENSE TO AN APPLICANT IF THE OPERATION OF THE BEHAVIORAL HEALTH
12 ENTITY WILL ADVERSELY AFFECT THE HEALTH, SAFETY, OR WELFARE OF
13 THE CONSUMERS OF THE BEHAVIORAL HEALTH ENTITY. AS A CONDITION
14 OF OBTAINING A PROVISIONAL LICENSE, THE APPLICANT SHALL SHOW
15 PROOF TO THE DEPARTMENT THAT ATTEMPTS ARE BEING MADE TO
16 CONFORM AND COMPLY WITH THE APPLICABLE STANDARDS REQUIRED
17 PURSUANT TO THIS ARTICLE 27.6. THE DEPARTMENT SHALL NOT GRANT A
18 PROVISIONAL LICENSE PRIOR TO THE COMPLETION OF A CRIMINAL
19 BACKGROUND CHECK IN ACCORDANCE WITH SUBSECTION (3) OF THIS
20 SECTION AND A DETERMINATION IN ACCORDANCE WITH SUBSECTION (4) OF
21 THIS SECTION. A SECOND PROVISIONAL LICENSE MAY BE ISSUED, FOR A
22 LIKE TERM AND FEE, TO EFFECT COMPLIANCE. NO FURTHER PROVISIONAL
23 LICENSES MAY BE ISSUED FOR THE CURRENT YEAR AFTER THE SECOND
24 ISSUANCE.

25 **25-27.6-107. License fees - rules.** (1) (a) BY APRIL 30, 2021, THE
26 STATE BOARD SHALL PROMULGATE RULES ESTABLISHING A SCHEDULE OF
27 FEES SUFFICIENT TO MEET THE DIRECT AND INDIRECT COSTS OF

1 ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE 27.6.

2 (b) THE DEPARTMENT SHALL ASSESS AND COLLECT, FROM
3 BEHAVIORAL HEALTH ENTITIES SUBJECT TO LICENSURE PURSUANT TO
4 SECTION 25-27.6-106, FEES IN ACCORDANCE WITH THE FEE SCHEDULE
5 ESTABLISHED BY THE STATE BOARD.

6 (2) THE DEPARTMENT SHALL TRANSMIT FEES COLLECTED
7 PURSUANT TO THIS SECTION TO THE STATE TREASURER, WHO SHALL
8 CREDIT THE MONEY TO THE BEHAVIORAL HEALTH ENTITY CASH FUND
9 CREATED IN SECTION 25-27.6-108.

10 (3) FEES COLLECTED PURSUANT TO SUBSECTION (1) OF THIS
11 SECTION MAY BE USED BY THE DEPARTMENT TO PROVIDE TECHNICAL
12 ASSISTANCE AND EDUCATION TO BEHAVIORAL HEALTH ENTITIES RELATED
13 TO COMPLIANCE WITH COLORADO LAW, IN ADDITION TO REGULATORY AND
14 ADMINISTRATIVE FUNCTIONS. THE DEPARTMENT MAY CONTRACT WITH
15 PRIVATE ENTITIES TO ASSIST THE DEPARTMENT IN PROVIDING TECHNICAL
16 ASSISTANCE AND EDUCATION.

17 **25-27.6-108. Behavioral health entity cash fund - created.** THE
18 BEHAVIORAL HEALTH ENTITY CASH FUND, REFERRED TO IN THE SECTION
19 AS THE "FUND", IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS
20 OF MONEY CREDITED TO THE FUND PURSUANT TO SECTION 25-27.6-107.
21 THE MONEY IN THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY THE
22 GENERAL ASSEMBLY FOR THE DIRECT AND INDIRECT COSTS OF THE
23 DEPARTMENT IN PERFORMING ITS DUTIES PURSUANT TO THIS ARTICLE 27.6.
24 AT THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED
25 MONEY IN THE FUND REMAINS IN THE FUND AND MUST NOT BE CREDITED
26 OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND.

27 **25-27.6-109. Employee or contracted service provider criminal**

1 **history record check - rules.** A BEHAVIORAL HEALTH ENTITY SHALL
2 REQUIRE AN APPLICANT SEEKING EMPLOYMENT WITH OR SEEKING TO
3 CONTRACT TO PROVIDE SERVICES TO THE BEHAVIORAL HEALTH ENTITY TO
4 SUBMIT TO A CRIMINAL HISTORY RECORD CHECK BEFORE EMPLOYMENT OR
5 EXECUTION OF A CONTRACT. THE BEHAVIORAL HEALTH ENTITY SHALL PAY
6 THE COSTS OF THE CRIMINAL HISTORY RECORD CHECK. THE CRIMINAL
7 HISTORY RECORD CHECK MUST BE CONDUCTED NOT MORE THAN NINETY
8 DAYS BEFORE THE EMPLOYMENT OF OR CONTRACT WITH THE APPLICANT.

9 **25-27.6-110. License denial, suspension, or revocation.**

10 (1) WHEN AN APPLICATION FOR AN INITIAL LICENSE PURSUANT TO
11 SECTION 25-27.6-106 HAS BEEN DENIED BY THE DEPARTMENT, THE
12 DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING OF THE DENIAL BY
13 MAILING A NOTICE TO THE APPLICANT AT THE ADDRESS SHOWN ON THE
14 APPLICATION. ANY APPLICANT AGGRIEVED BY A DENIAL MAY PURSUE A
15 REVIEW AS PROVIDED IN ARTICLE 4 OF TITLE 24, AND THE DEPARTMENT
16 SHALL FOLLOW THE PROVISIONS AND PROCEDURES SPECIFIED IN ARTICLE
17 4 OF TITLE 24.

18 (2) (a) THE DEPARTMENT MAY SUSPEND, REVOKE, OR REFUSE TO
19 RENEW THE LICENSE OF ANY BEHAVIORAL HEALTH ENTITY THAT IS OUT OF
20 COMPLIANCE WITH THE REQUIREMENTS OF THIS ARTICLE 27.6 OR THE
21 RULES PROMULGATED THEREUNDER. SUSPENSION, REVOCATION, OR
22 REFUSAL MUST BE DONE AFTER A HEARING THEREON AND IN COMPLIANCE
23 WITH THE PROVISIONS AND PROCEDURES SPECIFIED IN ARTICLE 4 OF TITLE
24 24.

25 (b) (I) THE DEPARTMENT MAY IMPOSE INTERMEDIATE
26 RESTRICTIONS OR CONDITIONS ON A LICENSEE THAT OPERATES A
27 BEHAVIORAL HEALTH ENTITY THAT MAY INCLUDE ONE OR MORE OF THE

1 RESTRICTIONS OR CONDITIONS SPECIFIED IN SECTION 25-27-106 (2)(b).

2 (II) IF THE DEPARTMENT ASSESSES A CIVIL FINE PURSUANT TO THIS
3 SUBSECTION (2)(b), THE DEPARTMENT SHALL TRANSMIT THE MONEY TO
4 THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE GENERAL
5 FUND.

6 **25-27.6-111. Enforcement.** THE DEPARTMENT IS RESPONSIBLE FOR
7 THE ENFORCEMENT OF THIS ARTICLE 27.6 AND THE RULES ADOPTED
8 PURSUANT TO THIS ARTICLE 27.6.

9 **SECTION 2.** In Colorado Revised Statutes, **add** 27-60-107 as
10 follows:

11 **27-60-107. Behavioral health entity licenses - assistance -**
12 **transfer of staff.** (1) PURSUANT TO ARTICLE 27.6 OF TITLE 25, THERE IS
13 A BEHAVIORAL HEALTH ENTITY LICENSE ISSUED BY THE DEPARTMENT OF
14 PUBLIC HEALTH AND ENVIRONMENT. CERTAIN FACILITIES THAT ARE
15 LICENSED BY THE STATE DEPARTMENT WILL TRANSITION TO THE
16 BEHAVIORAL HEALTH ENTITY LICENSE ISSUED BY THE DEPARTMENT OF
17 PUBLIC HEALTH AND ENVIRONMENT. PRIOR TO THE TRANSITION, THE
18 OFFICE SHALL ASSIST THE DEPARTMENT OF PUBLIC HEALTH AND
19 ENVIRONMENT AND THE BEHAVIORAL HEALTH ENTITY IMPLEMENTATION
20 AND ADVISORY COMMITTEE ESTABLISHED IN SECTION 25-27.6-103 IN
21 DESIGNING AND IMPLEMENTING THE TRANSITION AND INFORMING
22 FACILITIES LICENSED BY THE STATE DEPARTMENT PRIOR TO THE
23 TRANSITION.

24 (2) WHEN ONE OR MORE TYPES OF LICENSES ARE TRANSITIONED TO
25 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, EMPLOYEES OF
26 THE OFFICE WHO WERE PREVIOUSLY RESPONSIBLE FOR ISSUING LICENSES
27 BY THE STATE DEPARTMENT MAY BE OFFERED POSITIONS IN THE

1 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN ACCORDANCE
2 WITH DEPARTMENT OF PERSONNEL RULES.

3 **SECTION 3.** In Colorado Revised Statutes, 25-3-102, **amend** (2)
4 as follows:

5 **25-3-102. License - application - issuance - certificate of**
6 **compliance required - repeal.** (2) (a) In the licensing of a community
7 mental health center, acute treatment unit, or clinic, satisfactory evidence
8 that the applicant is in compliance with the standards AND rules and
9 regulations promulgated pursuant to section 27-66-102 C.R.S., shall be
10 IS required for licensure.

11 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2021.

12 **SECTION 4.** In Colorado Revised Statutes, **amend** 27-66-106 as
13 follows:

14 **27-66-106. Federal grants-in-aid - administration.** (1) The
15 department is designated the official mental health authority, and is
16 authorized to receive grants-in-aid from the federal government under the
17 provisions of 42 U.S.C. sec. 246, and shall administer said grants in
18 accordance therewith.

19 (2) THE DEPARTMENT SHALL CONTINUE TO FUND THE COSTS OF
20 LICENSING ACTIVITIES RELATED TO THE BEHAVIORAL HEALTH ENTITY
21 LICENSE ACROSS THE DEPARTMENT OF HUMAN SERVICES AND THE
22 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, LESS THE MONEY
23 COLLECTED BY THE BEHAVIORAL HEALTH ENTITY CASH FUND DEFINED IN
24 25-27.6-108 THROUGH JUNE 30, 2024.

25 **SECTION 5.** In Colorado Revised Statutes, 2-3-1203, **add**
26 (16)(a)(IV) as follows:

27 **2-3-1203. Sunset review of advisory committees - legislative**

1 **declaration - definition - repeal.** (16) (a) The following statutory
2 authorizations for the designated advisory committees will repeal on
3 September 1, 2025:

4 (IV) THE BEHAVIORAL HEALTH ENTITY IMPLEMENTATION AND
5 ADVISORY COMMITTEE, ESTABLISHED IN SECTION 25-27.6-103.

6 **SECTION 6.** In Colorado Revised Statutes, 24-33.5-1203,
7 **amend** (1)(p.5) as follows:

8 **24-33.5-1203. Duties of division.** (1) The division shall perform
9 the following duties:

10 (p.5) When there is no local building department or fire
11 department, or ~~when necessary~~ for facilities certified or ~~seeking~~
12 POTENTIALLY ELIGIBLE FOR certification by the federal centers for
13 medicare and medicaid services, conduct construction plan reviews and
14 inspections of health facility buildings and structures, enforce the codes
15 in accordance with sections 24-33.5-1212.5 and 24-33.5-1213, and issue
16 certificates of compliance for such buildings and structures;

17 **SECTION 7.** In Colorado Revised Statutes, **amend as added in**
18 **section 1 of this act**, 25-27.6-105 (2) introductory portion and (2)(b) as
19 follows:

20 **25-27.6-105. Minimum standards for behavioral health**
21 **entities - rules.** (2) On or before April 30, ~~2021~~ 2023, the state board
22 shall promulgate rules that must include the following:

23 (b) Service-specific requirements that apply only to behavioral
24 health entities electing to provide that service, including, at a minimum,
25 standards for the services included in the definitions in section
26 25-27.6-102 of acute treatment unit, community mental health center,
27 community mental health clinic, crisis stabilization unit, ~~and~~ walk-in

1 centers, AND ALCOHOL USE DISORDER AND SUBSTANCE USE DISORDER
2 SERVICES that meet the regulatory requirements for licensing, and
3 operations, AND PARTNERSHIPS WITH THE STATE;

4 **SECTION 8.** In Colorado Revised Statutes, 25-1.5-103, **amend**
5 (1)(a)(I)(A) and (1)(c); and **add** (2)(a.3)as follows:

6 **25-1.5-103. Health facilities - powers and duties of department**
7 **- limitations on rules promulgated by department - definitions.**

8 (1) The department has, in addition to all other powers and duties
9 imposed upon it by law, the powers and duties provided in this section as
10 follows:

11 (a) (I) (A) To annually license and to establish and enforce
12 standards for the operation of general hospitals, hospital units as defined
13 in section 25-3-101 (2), psychiatric hospitals, community clinics,
14 rehabilitation hospitals, convalescent centers, community mental health
15 centers, acute treatment units, BEHAVIORAL HEALTH ENTITIES, facilities
16 for persons with intellectual and developmental disabilities, nursing care
17 facilities, hospice care, assisted living residences, dialysis treatment
18 clinics, ambulatory surgical centers, birthing centers, home care agencies,
19 and other facilities of a like nature, except those wholly owned and
20 operated by any governmental unit or agency.

21 (c) (I) To establish and enforce standards for licensure of
22 community mental health centers and acute treatment units AS
23 BEHAVIORAL HEALTH ENTITIES.

24 (II) ~~The department of public health and environment has primary~~
25 ~~responsibility for the licensure of community mental health centers and~~
26 ~~acute treatments units. The department of human services has primary~~
27 ~~responsibility for program approval at these facilities. In performing their~~

1 ~~respective~~ ITS responsibilities pursuant to ~~this subparagraph (H), both~~
2 ~~departments~~ SUBSECTION (1)(c)(I) OF THIS SECTION, THE DEPARTMENT
3 shall take into account changes in health care policy and practice
4 incorporating the concept and practice of integration of services and the
5 development of a system that commingles and integrates health care
6 services.

7 (2) For purposes of this section, unless the context otherwise
8 requires:

9 (a.3) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
10 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
11 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
12 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
13 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
14 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
15 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

16 (I) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
17 26-6-102 (33); OR

18 (II) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
19 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
20 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

21 **SECTION 9.** In Colorado Revised Statutes, 25-3-105, **add**
22 (1)(c)(IV) as follows:

23 **25-3-105. License - fee - rules - penalty - repeal.**
24 (1) (c) (IV) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1,
25 2022.

26 **SECTION 10.** In Colorado Revised Statutes, **amend as added in**
27 **section 1 of this act**, 25-27.6-104 (1) as follows:

1 **25-27.6-104. License required - criminal and civil penalties.**

2 (1) (a) On or after July 1, ~~2022~~ 2024, it is unlawful for any person,
3 partnership, association, or corporation to conduct or maintain a
4 behavioral health entity, INCLUDING A SUBSTANCE USE DISORDER
5 PROGRAM OR ALCOHOL USE DISORDER PROGRAM, without having obtained
6 a license THEREFOR from the department.

7 (b) On or after July 1, ~~2021~~ 2023, an entity seeking initial
8 licensure as a behavioral health entity shall apply for a behavioral health
9 entity license if the entity would previously have been licensed ~~as an~~
10 ~~acute treatment unit or as a community mental health center, community~~
11 ~~mental health clinic, or crisis stabilization unit licensed as a community~~
12 ~~clinic~~ OR SUBJECT TO APPROVAL BY THE OFFICE OF BEHAVIORAL HEALTH
13 IN THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO SECTION
14 27-81-106 OR 27-82-103 AS AN APPROVED TREATMENT PROGRAM FOR
15 ALCOHOL USE DISORDERS OR SUBSTANCE USE DISORDERS.

16 (c) A facility ~~licensed as of June 30, 2021~~ WITH A LICENSE OR
17 APPROVAL ON OR BEFORE JUNE 30, 2023, as ~~an acute treatment unit,~~
18 ~~community mental health center, community mental health clinic, or crisis~~
19 ~~stabilization unit, licensed as a community clinic~~ A BEHAVIORAL HEALTH
20 ENTITY, A SUBSTANCE USE DISORDER PROGRAM, OR AN ALCOHOL USE
21 DISORDER PROGRAM shall apply for a behavioral health entity license prior
22 to the expiration of the facility's current license OR APPROVAL. Such a
23 facility is subject to the standards under which it is licensed OR APPROVED
24 as of July 1, ~~2021~~ 2023, until such time as the behavioral health entity
25 license is issued.

26 **SECTION 11.** In Colorado Revised Statutes, 27-60-104, **amend**
27 (1) and (6) introductory portion as follows:

1 **27-60-104. Behavioral health crisis response system - crisis**
2 **service facilities - walk-in centers - mobile response units.** (1) ~~On or~~
3 ~~before January 1, 2018,~~ All BEHAVIORAL HEALTH ENTITIES, crisis walk-in
4 centers, acute treatment units, and crisis stabilization units within the
5 crisis response system, regardless of facility licensure, must be able to
6 adequately care for an individual brought to the facility through the
7 emergency mental health procedure described in section 27-65-105 or a
8 voluntary application for mental health services pursuant to section
9 27-65-103. The arrangements for care must be completed through the
10 crisis response system or prearranged partnerships with other crisis
11 intervention services.

12 (6) The state department shall ensure crisis response system
13 contractors are responsible for community engagement, coordination, and
14 system navigation for key partners, including criminal justice agencies,
15 emergency departments, hospitals, primary care facilities, BEHAVIORAL
16 HEALTH ENTITIES, walk-in centers, and other crisis service facilities. The
17 goals of community coordination are to:

18 **SECTION 12.** In Colorado Revised Statutes, 25-3-101, **amend**
19 (1) as follows:

20 **25-3-101. Hospitals - health facilities - licensed - definitions.**

21 (1) It is unlawful for any person, partnership, association, or corporation
22 to open, conduct, or maintain any general hospital; hospital unit;
23 psychiatric hospital; community clinic; rehabilitation hospital;
24 convalescent center; BEHAVIORAL HEALTH ENTITY; community mental
25 health center OR acute treatment unit LICENSED AS A BEHAVIORAL HEALTH
26 ENTITY; facility for persons with developmental disabilities, as defined in
27 section 25-1.5-103 (2)(c); nursing care facility; hospice care; assisted

1 living residence, except an assisted living residence shall be assessed a
2 license fee as set forth in section 25-27-107; dialysis treatment clinic;
3 ambulatory surgical center; birthing center; home care agency; or other
4 facility of a like nature, except those wholly owned and operated by any
5 governmental unit or agency, without first having obtained a license from
6 the department of public health and environment.

7 **SECTION 13.** In Colorado Revised Statutes, 27-65-102, **amend**
8 (7); and **add** (1.5) as follows:

9 **27-65-102. Definitions.** As used in this article 65, unless the
10 context otherwise requires:

11 (1.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
12 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
13 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
14 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
15 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
16 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
17 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

18 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
19 26-6-102 (33); OR

20 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
21 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
22 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

23 (7) "Facility" means a public hospital or a licensed private
24 hospital, clinic, BEHAVIORAL HEALTH ENTITY, community mental health
25 center or clinic, acute treatment unit, institution, or residential child care
26 facility that provides treatment for persons with mental health disorders.

27 **SECTION 14.** In Colorado Revised Statutes, 27-66-101, **add**

1 (1.5) as follows:

2 **27-66-101. Definitions.** As used in this article 66, unless the
3 context otherwise requires:

4 (1.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR
5 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
6 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
7 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
8 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
9 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
10 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

11 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
12 26-6-102 (33); OR

13 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
14 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
15 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

16 **SECTION 15.** In Colorado Revised Statutes, 27-66-104, **amend**
17 (1), (2)(a)(II), (2)(a)(III), (2)(b), (3), and (6); and **add** (2)(a)(IV) as
18 follows:

19 **27-66-104. Types of services purchased - limitation on**
20 **payments.** (1) Community mental health services may be purchased
21 from BEHAVIORAL HEALTH ENTITIES, clinics, community mental health
22 centers, local general or psychiatric hospitals, and other agencies that
23 have been approved by the executive director.

24 (2) (a) Each year the general assembly shall appropriate ~~funds~~
25 MONEY for the purchase of mental health services from:

26 (II) Agencies that provide specialized clinic-type services but do
27 not serve a specific designated service area; ~~and~~

1 (III) Acute treatment units; AND

2 (IV) BEHAVIORAL HEALTH ENTITIES.

3 (b) The ~~funds~~ MONEY appropriated for the purposes of this
4 subsection (2) shall be distributed by the executive director to approved
5 BEHAVIORAL HEALTH ENTITIES, community mental health centers, and
6 other agencies on the basis of need and in accordance with the services
7 provided.

8 (3) Each year the general assembly may appropriate ~~funds~~ MONEY
9 in addition to ~~those~~ THE MONEY appropriated for purposes of subsection
10 (2) of this section, which ~~funds~~ MONEY may be used by the executive
11 director to assist BEHAVIORAL HEALTH ENTITIES, community mental health
12 clinics and centers in instituting innovative programs, in providing mental
13 health services to impoverished areas, and in dealing with crisis
14 situations. The executive director shall require that any innovative or
15 crisis programs for which ~~funds are~~ MONEY IS allocated ~~under~~ PURSUANT
16 TO this subsection (3) be clearly defined in terms of services to be
17 rendered, program objectives, scope and duration of the program, and the
18 maximum amount of ~~funds~~ MONEY to be provided.

19 (6) For purposes of entering into a cooperative purchasing
20 agreement pursuant to section 24-110-201, ~~C.R.S.~~, a NONPROFIT
21 BEHAVIORAL HEALTH ENTITY, nonprofit community mental health center,
22 or a nonprofit community mental health clinic may be certified as a local
23 public procurement unit as provided in section 24-110-207.5. ~~C.R.S.~~

24 **SECTION 16.** In Colorado Revised Statutes, 27-66-105, **amend**
25 (1)(a), (2) introductory portion, and (3); and **add** (1)(g) and (4) as
26 follows:

27 **27-66-105. Standards for approval.** (1) In approving or

1 rejecting community mental health clinics for the purchase of behavioral
2 or mental health services, the executive director shall:

3 (a) Consider the adequacy AND QUALITY of mental health services
4 provided by such clinics, taking into consideration such factors as
5 geographic location, local economic conditions, and availability of
6 manpower;

7 (g) ON AND AFTER JULY 1, 2022, REQUIRE LICENSURE BY THE
8 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO
9 SECTION 25-27.6-104.

10 (2) In approving or rejecting local general or psychiatric hospitals,
11 BEHAVIORAL HEALTH ENTITIES, community mental health centers, acute
12 treatment units, and other agencies for the purchase of services not
13 provided by local mental health clinics, including, but not limited to,
14 twenty-four-hour and partial hospitalization, the executive director shall
15 consider the following factors:

16 (3) In the purchase of services from BEHAVIORAL HEALTH
17 ENTITIES OR community mental health centers, the executive director shall
18 specify levels and types of inpatient, outpatient, consultation, education,
19 and training services and expenditures and shall establish minimum
20 standards for other programs of such centers that are to be supported with
21 state funds.

22 (4) IN APPROVING OR REJECTING BEHAVIORAL HEALTH ENTITIES,
23 COMMUNITY MENTAL HEALTH CLINICS, COMMUNITY MENTAL HEALTH
24 CENTERS, ACUTE TREATMENT UNITS, LOCAL GENERAL OR PSYCHIATRIC
25 HOSPITALS, AND OTHER AGENCIES FOR THE PURCHASE OF SERVICES, THE
26 EXECUTIVE DIRECTOR SHALL ENSURE THE AGENCIES COMPLY WITH
27 FEDERAL FINANCIAL PARTICIPATION REQUIREMENTS FOR

1 DEPARTMENT-ADMINISTERED PROGRAMS.

2 **SECTION 17.** In Colorado Revised Statutes, **amend** 27-66-106
3 as follows:

4 **27-66-106. Federal grants-in-aid and other grants for mental**
5 **health and integrated behavioral health services - administration.**

6 (1) The department is designated the official mental health authority, and
7 is authorized to:

8 (a) Receive grants-in-aid from the federal government under the
9 provisions of 42 U.S.C. sec. 246, and shall administer said grants in
10 accordance therewith; AND

11 (b) RECEIVE OTHER GRANTS FROM THE FEDERAL GOVERNMENT FOR
12 THE PROVISION OF MENTAL HEALTH OR INTEGRATED BEHAVIORAL HEALTH
13 SERVICES AND SHALL ADMINISTER SUCH GRANTS IN ACCORDANCE
14 THEREWITH.

15 **SECTION 18.** In Colorado Revised Statutes, **amend** 27-66-107
16 as follows:

17 **27-66-107. Purchase of services by courts, counties,**
18 **municipalities, school districts, and other political subdivisions.** Any
19 county, municipality, school district, health service district, or other
20 political subdivision of the state or any county, district, or juvenile court
21 is authorized to purchase mental health services from BEHAVIORAL
22 HEALTH ENTITIES, community mental health clinics, and ~~such~~ other
23 community agencies ~~as are~~ approved for purchases by the executive
24 director. For the purchase of mental health services by counties or city
25 and counties as authorized by this section, the board of county
26 commissioners of any county or the city council of any city and county
27 may levy a tax not to exceed two mills upon real property within the

1 county or city and county if the board first submits the question of ~~such~~
2 THE levy to a vote of the qualified electors at a general election and
3 receives their approval of ~~such~~ THE levy.

4 **SECTION 19.** In Colorado Revised Statutes, 27-70-102, **amend**
5 (2) as follows:

6 **27-70-102. Definitions.** As used in this article 70, unless the
7 context otherwise requires:

8 (2) "Facility" means a federally qualified health care center, clinic,
9 community mental health center or clinic, BEHAVIORAL HEALTH ENTITY,
10 institution, acute treatment unit, jail, facility operated by the department
11 of corrections, or a facility operated by the division of youth services.

12 **SECTION 20.** In Colorado Revised Statutes, 27-81-102, **amend**
13 (1); and **add** (3.5) and (13.7) as follows:

14 **27-81-102. Definitions.** As used in this article 81, unless the
15 context otherwise requires:

16 (1) "~~Alcohol use disorder~~" means a ~~condition by which a person~~
17 ~~habitually lacks self-control as to the use of alcoholic beverages or uses~~
18 ~~alcoholic beverages to the extent that his or her health is substantially~~
19 ~~impaired or endangered or his or her social or economic function is~~
20 ~~substantially disrupted. Nothing in this subsection (1) precludes the~~
21 ~~denomination of a person with an alcohol use disorder as intoxicated by~~
22 ~~alcohol or incapacitated by alcohol~~ CHRONIC RELAPSING BRAIN DISEASE
23 CHARACTERIZED BY RECURRENT USE OF ALCOHOL CAUSING CLINICALLY
24 SIGNIFICANT IMPAIRMENT, INCLUDING HEALTH PROBLEMS, DISABILITY,
25 AND FAILURE TO MEET MAJOR RESPONSIBILITIES AT WORK, SCHOOL, AND
26 HOME.

27 (3.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR

1 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED
2 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER
3 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE
4 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR
5 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES
6 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

7 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION
8 26-6-102 (33); OR

9 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL
10 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL
11 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

12 (13.7) "PUBLIC FUNDS" MEANS MONEY APPROPRIATED TO THE
13 OFFICE OF BEHAVIORAL HEALTH BY THE GENERAL ASSEMBLY OR ANY
14 OTHER GOVERNMENTAL OR PRIVATE SOURCES FOR WITHDRAWAL
15 MANAGEMENT OR FOR THE TREATMENT OF ALCOHOL USE DISORDERS IN
16 APPROVED FACILITIES PURSUANT TO THIS ARTICLE 81.

17 **SECTION 21.** In Colorado Revised Statutes, 27-81-104, **amend**
18 (1)(c) as follows:

19 **27-81-104. Duties of the office of behavioral health - review.**

20 (1) In addition to duties prescribed by section 27-80-102, the office of
21 behavioral health shall:

22 (c) Utilize BEHAVIORAL HEALTH ENTITIES, community mental
23 health centers and clinics whenever feasible;

24 **SECTION 22.** In Colorado Revised Statutes, 27-81-107, **amend**
25 (1); and **add** (4) as follows:

26 **27-81-107. Compliance with local government zoning**
27 **regulations - notice to local governments - provisional approval -**

1 **repeal.** (1) PRIOR TO JULY 1, 2024, the office of behavioral health shall
2 require any residential treatment facility seeking approval as a public or
3 private treatment facility pursuant to this article 81 to comply with any
4 applicable zoning regulations of the municipality, city and county, or
5 county where the facility is situated. Failure to comply with applicable
6 zoning regulations constitutes grounds for the denial of approval of a
7 facility.

8 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

9 **SECTION 23.** In Colorado Revised Statutes, **add** 27-81-107.5 as
10 follows:

11 **27-81-107.5. Licensure.** ON AND AFTER JULY 1, 2024, THE OFFICE
12 OF BEHAVIORAL HEALTH SHALL REQUIRE ANY TREATMENT FACILITY
13 SEEKING APPROVAL AS A PUBLIC OR PRIVATE TREATMENT FACILITY
14 PURSUANT TO THIS ARTICLE 81 TO BE LICENSED BY THE DEPARTMENT OF
15 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-27.6-104
16 OR BY ANY OTHER REQUIRED STATE AGENCY.

17 **SECTION 24.** In Colorado Revised Statutes, 27-82-102, **amend**
18 (13.5); and **add** (13.3) as follows:

19 **27-82-102. Definitions.** As used in this article 82, unless the
20 context otherwise requires:

21 (13.3) "PUBLIC FUNDS" MEANS MONEY APPROPRIATED TO THE
22 OFFICE OF BEHAVIORAL HEALTH BY THE GENERAL ASSEMBLY OR ANY
23 OTHER GOVERNMENTAL OR PRIVATE SOURCES FOR WITHDRAWAL
24 MANAGEMENT OR FOR THE TREATMENT OF SUBSTANCE USE DISORDERS IN
25 APPROVED FACILITIES PURSUANT TO THIS ARTICLE 82.

26 (13.5) "Substance use disorder" means a ~~condition by which a~~
27 ~~person habitually uses drugs or uses drugs to the extent that his or her~~

1 ~~health is substantially impaired or endangered or his or her social or~~
2 ~~economic function is substantially disrupted. Nothing in this subsection~~
3 ~~(13.5) precludes the denomination of a person with a substance use~~
4 ~~disorder as a person under the influence of or incapacitated by drugs~~
5 CHRONIC RELAPSING BRAIN DISEASE, CHARACTERIZED BY RECURRENT USE
6 OF ALCOHOL, DRUGS, OR BOTH, CAUSING CLINICALLY SIGNIFICANT
7 IMPAIRMENT, INCLUDING HEALTH PROBLEMS, DISABILITY, AND FAILURE TO
8 MEET MAJOR RESPONSIBILITIES AT WORK, SCHOOL, OR HOME.

9 **SECTION 25.** In Colorado Revised Statutes, **add** 27-82-103.5 as
10 follows:

11 **27-82-103.5. Licensure.** ON AND AFTER JULY 1, 2024, THE OFFICE
12 OF BEHAVIORAL HEALTH SHALL REQUIRE ANY TREATMENT FACILITY
13 SEEKING APPROVAL AS A PUBLIC OR PRIVATE TREATMENT FACILITY TO BE
14 LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
15 PURSUANT TO SECTION 25-27.6-104 OR BY ANY OTHER REQUIRED STATE
16 AGENCY.

17 **SECTION 26. Act subject to petition - effective date.** Except
18 as provided in subsection (2) of this section, this act takes effect at 12:01
19 a.m. on the day following the expiration of the ninety-day period after
20 final adjournment of the general assembly (August 2, 2019, if
21 adjournment sine die is on May 3, 2019); except that, if a referendum
22 petition is filed pursuant to section 1 (3) of article V of the state
23 constitution against this act or an item, section, or part of this act within
24 such period, then the act, item, section, or part will not take effect unless
25 approved by the people at the general election to be held in November
26 2020 and, in such case, will take effect on the date of the official
27 declaration of the vote thereon by the governor.

1 (2) Sections 6 through 9 of this act take effect July 1, 2021, and
2 sections 10 through 25 of this act take effect July 1, 2022.

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