

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

REVISED

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

LLS NO. 19-1018.01 Ed DeCecco x4216

SENATE BILL 19-254

SENATE SPONSORSHIP

Zenzinger, Moreno, Rankin, Tate

HOUSE SPONSORSHIP

Ransom, Esgar, Hansen

Senate Committees
Appropriations

House Committees
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE NURSING HOME PENALTY CASH FUND, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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. Currently, the department of public health and environment and the department of health care policy and financing may not expend money from the nursing home penalty cash fund for grants benefitting residents of nursing facilities by fostering innovation and improving quality of life and care at the facilities (grants) if the expenditures would cause the fund balance to fall below \$1 million.

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
2nd Reading Unamended
April 29, 2019

SENATE
3rd Reading Unamended
April 25, 2019

SENATE
2nd Reading Unamended
April 24, 2019

The bill repeals this reserve and instead requires the medical services board to establish a minimum reserve that will have the same limit on expenditures for grants. The annual cap on expenditures for grants, which is \$250,000 or possibly a lesser amount depending on whether the fund balance exceeds \$2 million, is also repealed.

The sunset review of the use of grants and the related nursing home innovations grant board is also repealed.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (21)(a)(III) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (21) (a) The following agencies, functions, or both,
7 will repeal on September 1, 2021:

8 (III) ~~The nursing home innovations grant board created in section~~
9 ~~25-1-107.5 (6), C.R.S., and the use of moneys in the nursing home~~
10 ~~penalty cash fund for the purposes described in section 25-1-107.5~~
11 ~~(4)(c)(H), C.R.S.;~~

12 **SECTION 2.** In Colorado Revised Statutes, 25-1-107.5, **amend**
13 (4)(d)(III); and **repeal** (4)(d)(I) and (7) as follows:

14 **25-1-107.5. Additional authority of department - rules -**
15 **remedies against nursing facilities - criteria for recommending**
16 **assessments for civil penalties - cooperation with department of**
17 **health care policy and financing - nursing home penalty cash fund -**
18 **nursing home innovations grant board - reports.** (4) (d) (I) ~~The~~
19 ~~departments shall distribute the following amounts of moneys in the~~
20 ~~nursing home penalty cash fund for the purposes described in~~
21 ~~subparagraph (H) of paragraph (c) of this subsection (4):~~

22 (A) ~~For any fiscal year, two hundred fifty thousand dollars if the~~

1 fund balance is greater than two million dollars on July 1 of that fiscal
2 year;

3 (B) If the fund balance on July 1 of any fiscal year is less than two
4 million dollars, the department shall distribute twenty-five percent of the
5 moneys deposited in the fund in the immediately preceding fiscal year,
6 not to exceed two hundred fifty thousand dollars in total fund distribution
7 per fiscal year.

8 (III) Notwithstanding subparagraph (I) of this paragraph (d), the
9 departments shall ensure that the balance of the nursing home penalty
10 cash fund does not fall below one million dollars as a result of
11 expenditures for the purposes described in subparagraph (II) of paragraph
12 (c) of this subsection (4) and shall not distribute moneys pursuant to this
13 paragraph (d) for such purposes if making a distribution would cause the
14 fund balance to fall below the minimum balance required by this
15 subparagraph (II) THE MEDICAL SERVICES BOARD CREATED PURSUANT TO
16 SECTION 25.5-1-301 SHALL ESTABLISH A MINIMUM RESERVE AMOUNT TO
17 BE MAINTAINED IN THE NURSING HOME PENALTY CASH FUND TO ENSURE
18 THAT THERE IS SUFFICIENT MONEY FOR THE DEPARTMENTS TO DISTRIBUTE
19 IN ACCORDANCE WITH SUBSECTION (4)(b)(II) OF THIS SECTION, IF NEEDED.
20 THE DEPARTMENTS SHALL NOT EXPEND MONEY FROM THE FUND FOR THE
21 PURPOSES DESCRIBED IN SUBSECTION (4)(c)(II) OF THIS SECTION IF THE
22 EXPENDITURE WOULD CAUSE THE FUND BALANCE TO FALL BELOW THE
23 MINIMUM RESERVE AMOUNT.

24 (7) (a) Subparagraph (II) of paragraph (c) of subsection (4) of this
25 section, subsection (6) of this section, and this subsection (7) are
26 repealed, effective September 1, 2021.

27 (b) Prior to the repeal, the nursing home innovations grant board

1 and its functions, and the use of moneys in the nursing home penalty cash
2 fund for the purposes described in subparagraph (H) of paragraph (c) of
3 subsection (4) of this section, shall be reviewed pursuant to section
4 ~~24-34-104, C.R.S.~~

5 **SECTION 3. Appropriation.** For the 2019-20 state fiscal year,
6 \$250,000 is appropriated to the department of health care policy and
7 financing. This appropriation is from the nursing home penalty cash fund
8 created in section 25.5-6-205 (3)(a), C.R.S. To implement this act, the
9 department may use this appropriation for general professional services
10 and special projects.

11 **SECTION 4. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly (August
14 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
15 referendum petition is filed pursuant to section 1 (3) of article V of the
16 state constitution against this act or an item, section, or part of this act
17 within such period, then the act, item, section, or part will not take effect
18 unless approved by the people at the general election to be held in
19 November 2020 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.