



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 26, 2024)

Drafting Number:	LLS 24-0175	Date:	April 24, 2024
Prime Sponsors:	Sen. Cutter Rep. deGruy Kennedy	Bill Status:	House Health & Human Services
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Bill Topic: EATING DISORDER TREATMENT & RECOVERY PROGRAMS

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires the Behavioral Health Administration to regulate eating disorder treatment and recovery programs. The bill increases state expenditures on an ongoing basis starting in FY 2025-26.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 24-117**

		Budget Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
Revenue		-	-	-
Expenditures	General Fund	-	\$484,220	\$170,090
	Centrally Appropriated	-	\$17,250	\$17,250
	Total Expenditures	-	\$501,470	\$187,340
	Total FTE	-	1.2 FTE	1.2 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	-	\$72,633	\$25,514

Summary of Legislation

The bill requires the Behavioral Health Administration (BHA) to designate eating disorder treatment and recovery facilities based on the level of care the facility provides. Licensed clinicians who are not-facility based and offer outpatient services are not required to hold a designation.

The State Board of Human Services is required to promulgate rules to ensure that facilities respect:

- patients’ privacy through regulations around clothing and bathroom use;
- patients’ life styles through regulations around sexual identity, religion, and diet;
- patients’ right to treatment through quality standards;
- patients’ right to file a complaint through disclosure requirements concerning the BHA’s formal grievance process; and
- patients’ consent, though regulations around restrains and involuntary feeding tubes.

Additionally, the bill requires the BHA to promulgate rules for all health care facilities concerning involuntary feeding tubes for patients with an eating disorder.

State Expenditures

The bill increases state expenditures in the BHA by \$501,000 in FY 2025-26 and \$187,000 in FY 2026-27 and future years, paid from the General Fund. Expenditures are shown in Table 2.

**Table 2
 Expenditures Under SB 24-117**

	FY 2024-25	FY 2025-26	FY 2026-27
Behavioral Health Administration			
Personal Services	-	\$63,345	\$63,345
Operating Expenses	• -	\$1,280	\$1,280
Capital Outlay Costs	-	\$6,670	-
Legal Services	-	\$51,208	\$51,208
System Updates and Operation	-	\$361,717	\$54,257
Centrally Appropriated Costs ¹	-	\$17,250	\$17,250
FTE – Personal Services	-	1.0 FTE	1.0 FTE
FTE – Legal Services	-	0.2 FTE	0.2 FTE
Total	-	\$501,470	\$187,340
Total FTE	-	1.2 FTE	1.2 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Behavioral Health Administration. Eating disorder treatment facilities can currently operate under a variety of health care licenses issued by a variety of state agencies. To create one eating disorder treatment facility designation and promulgate rules for continued operation, the BHA will incur staffing, legal services, and systems costs starting on July 1, 2025 for a January 1, 2026 implementation date as discussed below.

- **Staff.** The BHA requires 1.0 ongoing FTE to promulgate rules for eating disorder treatment facility operation, assist with rule implementation, and ensure compliance.
- **Legal services.** The BHA requires 400 hours (0.2 FTE) in legal services, provided by the Department of Law, to promulgate the required rules and assist with any regulatory actions associated with facility rule compliance.
- **System updates and operation.** One-time and ongoing funds are required to update and maintain the Behavioral Health Administration Licensing and Designation Database and Electronic Records System (LADDERS) to accommodate the new designation. The cost to upgrade LADDERS is reappropriated to the Office of Information Technology.
- **Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Department of Human Services. The State Board of Human Services will promulgate rules regarding patient rights at eating disorder treatment and recovery facilities within the normal course of its business. No change in appropriations is required.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Behavioral Health Administration	Health Care Policy and Financing
Information Technology	Law
Public Health and Environment	Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).