

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0739.01 Megan McCall x4215

HOUSE BILL 25-1223

HOUSE SPONSORSHIP

Johnson and Lukens,

SENATE SPONSORSHIP

Pelton R. and Roberts,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 CONCERNING CAPITAL NEEDS OF RURAL AND FRONTIER HOSPITALS,
102 AND, IN CONNECTION THEREWITH, DIRECTING THE DEPARTMENT
103 OF PUBLIC HEALTH AND ENVIRONMENT TO CONDUCT A STUDY
104 AND CREATING A TASK FORCE TO OVERSEE THE STUDY.

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>.)

The bill directs the department of public health and environment (department) to conduct a study of capital needs for rural and frontier hospitals throughout the state. Specifically, the study must measure 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.

number of studied facilities that are not compliant with current and relevant design and building code standards for health-care facilities, identify the age of core facilities and any additions to them, and estimate costs for renovating or replacing facilities identified as having capital needs. By June 30, 2026, the department must complete the study and compile the results of the study into a report. The report must be presented to the respective health and human services committees of the senate and house of representatives.

The bill also creates the rural and frontier hospital capital needs study task force (task force). The task force is made up of the following 7 members who must be appointed on or before August 1, 2025:

- 3 members who work in rural or frontier hospitals;
- One member who is an architect professional;
- One member who is a construction contractor professional;
- One member who represents hospitals; and
- One member of the general public who lives in a rural area or frontier area.

The task force is responsible for developing and approving the parameters of the study and overseeing the study and the report. The task force may also facilitate contracting with a private sector consulting company to assist with data compilation, research, and outreach to rural and frontier hospitals. The task force is required to hold its first meeting by October 1, 2025, and meet at least quarterly after the first meeting until the study and the report are complete.

The study and the requirements imposed on the department, the task force, and any third-party entity in connection with the study are contingent upon money being available through gifts, grants, or donations for the purpose of conducting the study.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25-3-132 as
3 follows:

4 **25-3-132. Rural and frontier hospital capital needs study -**
5 **task force - creation - report - legislative declaration - definitions -**
6 **repeal.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

7 (a) MANY OF COLORADO'S RURAL AND FRONTIER HOSPITALS
8 OPERATE IN OUTDATED FACILITIES, AND SOME FACILITIES HAVE NOT HAD
9 ANY MEANINGFUL UPGRADES FOR DECADES;

1 (b) THESE HOSPITALS STRUGGLE WITH THE INCREASED
2 MAINTENANCE COSTS NECESSARY TO KEEP FACILITIES OPERATIONAL AND
3 ARE FALLING BEHIND IN BEING ABLE TO PROVIDE CARE THAT IS
4 CONSISTENT WITH CURRENT STANDARDS; AND

5 (c) AN INFORMAL STUDY CONDUCTED BY COLORADO RURAL
6 FUTURES, A GROUP OF CHIEF EXECUTIVE OFFICERS OF COLORADO RURAL
7 AND FRONTIER HOSPITALS, IDENTIFIED APPROXIMATELY FIVE HUNDRED
8 MILLION DOLLARS IN NEEDED UPGRADES FOR FACILITIES OF HOSPITALS
9 THAT WERE RESPONSIVE TO THE INFORMAL STUDY, BUT THE CAPITAL
10 NEEDS OF RURAL AND FRONTIER HOSPITALS THROUGHOUT THE STATE
11 COULD REQUIRE AN INVESTMENT OF AS MUCH AS ONE BILLION DOLLARS.

12 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (a) "CASH FUND" MEANS THE RURAL AND FRONTIER HOSPITAL
15 CAPITAL NEEDS STUDY CASH FUND CREATED IN SUBSECTION (6)(c)(I) OF
16 THIS SECTION.

17 (b) "FRONTIER AREA" MEANS A COUNTY IN THE STATE THAT HAS
18 A POPULATION DENSITY OF SIX OR FEWER INDIVIDUALS PER ONE SQUARE
19 MILE.

20 (c) "RURAL AND FRONTIER HOSPITAL" MEANS A HOSPITAL THAT IS
21 LICENSED AS A GENERAL OR CRITICAL ACCESS HOSPITAL BY THE
22 DEPARTMENT AND THAT OPERATES IN A RURAL AREA OR A FRONTIER AREA.

23 (d) "RURAL AREA" MEANS AN AREA LISTED AS ELIGIBLE FOR RURAL
24 HEALTH FUNDING BY THE FEDERAL OFFICE OF RURAL HEALTH POLICY.

25 (e) "STUDY" MEANS THE STUDY REQUIRED PURSUANT TO THIS
26 SECTION.

27 (f) "TASK FORCE" MEANS THE RURAL AND FRONTIER HOSPITAL

1 CAPITAL NEEDS STUDY TASK FORCE CREATED IN SUBSECTION (4)(a) OF
2 THIS SECTION.

3 (3) SUBJECT TO OVERSIGHT BY THE TASK FORCE, THE DEPARTMENT
4 SHALL STUDY OR SHALL CONTRACT FOR A STUDY TO EVALUATE THE
5 CAPITAL NEEDS OF COLORADO RURAL AND FRONTIER HOSPITALS. THE
6 STUDY MUST:

7 (a) OBJECTIVELY MEASURE THE NUMBER OF STUDIED FACILITIES
8 THAT ARE NOT CODE COMPLIANT IN ACCORDANCE WITH THE CURRENT AND
9 RELEVANT EDITION OF THE FACILITY GUIDELINES INSTITUTE "GUIDELINES
10 FOR DESIGN AND CONSTRUCTION OF HEALTH CARE FACILITIES";

11 (b) IDENTIFY THE AGE OF CORE FACILITIES AND ADDITIONS THAT
12 HAVE BEEN MADE TO SUCH BUILDINGS;

13 (c) EVALUATE ESTIMATED PROJECT COST, INCLUDING
14 CONSTRUCTION COSTS AND RELEVANT PLANNING, DESIGN, AND
15 ENGINEERING COSTS, PER SQUARE FOOT TO RENOVATE OR REPLACE
16 FACILITIES IDENTIFIED AS HAVING CAPITAL NEEDS;

17 (d) MAKE A REASONABLE ESTIMATE OF THE TOTAL COST OF
18 CAPITAL NEEDS PER FACILITY AND THE AGGREGATE TOTAL COST OF
19 CAPITAL NEEDS FOR ALL FACILITIES IDENTIFIED IN THE STUDY; AND

20 (e) REVIEW OR EVALUATE ANY OTHER MATTERS CONCERNING
21 CAPITAL NEEDS OF RURAL AND FRONTIER HOSPITALS THAT ARE REQUESTED
22 BY THE TASK FORCE.

23 (4) (a) (I) THERE IS CREATED THE RURAL AND FRONTIER HOSPITAL
24 CAPITAL NEEDS STUDY TASK FORCE FOR THE PURPOSES OF DEVELOPING
25 AND APPROVING THE PARAMETERS OF THE STUDY AND OVERSEEING THE
26 STUDY AND THE REPORT OF THE RESULTS OF THE STUDY.

27 (II) IN ADDITION TO THE PURPOSE OF THE TASK FORCE SET FORTH

1 IN SUBSECTION (4)(a)(I) OF THIS SECTION, THE TASK FORCE MAY
2 FACILITATE CONTRACTING WITH A PRIVATE SECTOR CONSULTING
3 COMPANY TO ASSIST WITH DATA COMPILATION, RESEARCH, AND
4 OUTREACH TO RURAL AND FRONTIER HOSPITALS. THE TASK FORCE MAY
5 ESTABLISH THE FREQUENCY THAT THE TASK FORCE WANTS THE COMPANY
6 TO REPORT BACK TO THE TASK FORCE.

7 (b) (I) SUBJECT TO SUBSECTION (4)(b)(II) OF THIS SECTION, NOT
8 LATER THAN AUGUST 1, 2025, MEMBERS SHALL BE APPOINTED TO THE
9 TASK FORCE AS FOLLOWS:

10 (A) THE GOVERNOR SHALL APPOINT THREE MEMBERS; AND

11 (B) THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE
12 OF REPRESENTATIVES, THE MINORITY LEADER OF THE SENATE, AND THE
13 MINORITY LEADER OF THE HOUSE SHALL APPOINT ONE MEMBER EACH.

14 (II) THE COMPOSITION OF MEMBERS APPOINTED TO THE TASK
15 FORCE MUST BE AS FOLLOWS:

16 (A) THREE MEMBERS WHO WORK IN RURAL OR FRONTIER
17 HOSPITALS;

18 (B) ONE MEMBER WHO WORKS AS AN ARCHITECT PROFESSIONAL;

19 (C) ONE MEMBER WHO WORKS AS A CONSTRUCTION CONTRACTOR
20 PROFESSIONAL;

21 (D) ONE MEMBER WHO REPRESENTS HOSPITALS; AND

22 (E) ONE MEMBER OF THE GENERAL PUBLIC WHO LIVES IN A RURAL
23 AREA OR FRONTIER AREA.

24 (c) THE TASK FORCE SHALL HOLD ITS FIRST MEETING ON OR BEFORE
25 OCTOBER 1, 2025, AND MEET AT LEAST QUARTERLY AFTER ITS FIRST
26 MEETING UNTIL THE REPORT REQUIRED BY SUBSECTION (5) OF THIS
27 SECTION IS COMPLETED AND MAY MEET MORE FREQUENTLY BEFORE THAT

1 DATE IF NEEDED. MEETINGS OF THE TASK FORCE MAY BE IN PERSON OR
2 ONLINE.

3 (5) NOT LATER THAN JUNE 30, 2026, THE DEPARTMENT SHALL
4 COMPLETE THE STUDY AND COMPILE THE RESULTS OF THE STUDY INTO A
5 REPORT. THE DEPARTMENT SHALL PRESENT THE REPORT TO THE HOUSE OF
6 REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEE AND THE
7 SENATE HEALTH AND HUMAN SERVICES COMMITTEE, OR THEIR SUCCESSOR
8 COMMITTEES.

9 (6) (a) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
10 STUDY BE FUNDED ENTIRELY BY GIFTS, GRANTS, AND DONATIONS; THAT
11 GIFTS, GRANTS, AND DONATIONS WILL BE RECEIVED THROUGHOUT THE
12 COURSE OF THE STUDY; AND THAT NO ADDITIONAL GENERAL FUND MONEY
13 BE APPROPRIATED FOR THE IMPLEMENTATION OF THE STUDY. THE
14 DEPARTMENT AND THE TASK FORCE MAY SEEK, ACCEPT, AND EXPEND
15 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR
16 THE PURPOSES OF THIS SECTION.

17 (b) THE STUDY IS CONTINGENT ON MONEY BEING AVAILABLE TO
18 CARRY OUT THE STUDY. IF MONEY IS NOT AVAILABLE FOR THE TASK
19 FORCE, THE DEPARTMENT, OR ANY OTHER ENTITY TO CARRY OUT ITS
20 DUTIES REQUIRED PURSUANT TO THIS SECTION, THE TASK FORCE, THE
21 DEPARTMENT, OR THE ENTITY IS NOT REQUIRED TO CARRY OUT THE
22 DUTIES. A CONTRACT WITH A THIRD-PARTY ENTITY THAT WILL PROVIDE
23 SERVICES RELATED TO THE STUDY MUST BE CONTINGENT ON MONEY BEING
24 AVAILABLE FOR THAT PURPOSE.

25 (c) (I) THE RURAL AND FRONTIER HOSPITAL CAPITAL NEEDS STUDY
26 CASH FUND IS CREATED IN THE STATE TREASURY. THE CASH FUND
27 CONSISTS OF GIFTS, GRANTS, AND DONATIONS CREDITED TO THE CASH

1 FUND PURSUANT TO SUBSECTION (6)(c)(II) OF THIS SECTION AND ANY
2 OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR
3 TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL
4 INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF
5 MONEY IN THE CASH FUND TO THE CASH FUND.

6 (II) ALL MONEY RECEIVED THROUGH GIFTS, GRANTS, OR
7 DONATIONS IS TRANSMITTED TO THE STATE TREASURER WHO SHALL
8 CREDIT THE MONEY TO THE CASH FUND.

9 (III) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED FOR
10 THE PURPOSES OF CONDUCTING THE STUDY IN ACCORDANCE WITH THIS
11 SECTION.

12 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

13 **SECTION 2. Safety clause.** The general assembly finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety or for appropriations for
16 the support and maintenance of the departments of the state and state
17 institutions.