## **CHAPTER 222**

## **HUMAN SERVICES - SOCIAL SERVICES**

## SENATE BILL 97-101

BY SENATORS Rizzuto, Hernandez, Hopper, Johnson, Linkhart, Martinez, Matsunaka, Pascoe, Phillips, Rupert, Tanner, and Wham:

also REPRESENTATIVES Grampsas, Allen, Bacon, Mace, Romero, and Snyder.

## AN ACT

CONCERNING CONTRACTS TO RECEIVE FEDERAL MATCHING FUNDS FOR AMOUNTS SPENT IN PROVIDING HEALTH SERVICES TO STUDENTS IN PUBLIC SCHOOLS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

**SECTION 1.** Part 5 of article 4 of title 26, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

- **26-4-531. Health services provision by school districts repeal.** (1) AS USED IN THIS SECTION:
- (a) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.
- (b) "SCHOOL DISTRICT" MEANS ANY BOARD OF COOPERATIVE SERVICES ESTABLISHED PURSUANT TO ARTICLE 5 OF TITLE 22, C.R.S., ANY STATE EDUCATIONAL INSTITUTION THAT SERVES STUDENTS IN KINDERGARTEN THROUGH TWELFTH GRADE INCLUDING, BUT NOT LIMITED TO, THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND, CREATED IN ARTICLE 80 OF TITLE 22, C.R.S., AND ANY PUBLIC SCHOOL DISTRICT ORGANIZED UNDER THE LAWS OF COLORADO, EXCEPT A JUNIOR COLLEGE DISTRICT.
- (c) "STATE DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

- (d) "Underinsured" means a person who has some health insurance, but whose insurance does not adequately cover the types of health services for which a school district may receive federal matching funds under this section.
- (2) (a) ANY SCHOOL DISTRICT MAY CONTRACT WITH THE STATE DEPARTMENT UNDER THIS SECTION TO RECEIVE FEDERAL MATCHING FUNDS FOR AMOUNTS SPENT IN PROVIDING HEALTH SERVICES THROUGH THE PUBLIC SCHOOLS TO STUDENTS WHO ARE RECEIVING MEDICAID BENEFITS PURSUANT TO THIS ARTICLE.
- (b) APPROVAL OF CONTRACTS UNDER THIS SECTION DOES NOT CONSTITUTE A COMMITMENT BY THE GENERAL ASSEMBLY TO CONTINUE PROVIDING HEALTH SERVICES TO STUDENTS THROUGH THE PUBLIC SCHOOLS USING STATE GENERAL FUNDS IF FEDERAL MATCHING FUNDS ARE NOT AVAILABLE IN THE FUTURE. ANY MONEYS PROVIDED TO A SCHOOL DISTRICT PURSUANT TO A CONTRACT ENTERED INTO UNDER THIS SECTION SHALL NOT SUPPLANT STATE OR LOCAL MONEYS PROVIDED TO SCHOOL DISTRICTS PURSUANT TO THE PROVISIONS OF ARTICLES 20 TO 28 OR ARTICLE 54 OF TITLE 22, C.R.S.
- (c) NOTHING IN THIS SECTION SHALL BE CONSTRUED AS REQUIRING ANY SCHOOL DISTRICT TO ENTER INTO A CONTRACT AS PROVIDED IN THIS SECTION. PARTICIPATION IN A CONTRACT BY A SCHOOL DISTRICT IS VOLUNTARY.
- (d) THE STATE DEPARTMENT MAY MAKE CONTRACTING AND REIMBURSEMENT OF MONEYS UNDER THIS SECTION CONTINGENT UPON EITHER:
- (I) THE CONTRACTING SCHOOL DISTRICT CERTIFYING TO THE STATE DEPARTMENT, THROUGH THE DEPARTMENT OF EDUCATION, THAT IT HAS EXPENDED LOCAL AND STATE MONEYS IN AN AMOUNT SUFFICIENT TO MEET THE NONFEDERAL SHARE OF EXPENDITURES BEING CLAIMED FOR FEDERAL FINANCIAL PARTICIPATION; OR
- (II) The contracting school district meeting the requirements of the intergovernmental transfer provisions of the federal medicaid law, 42 U.S.C. sec. 1396, et seq.
- (3) EACH YEAR, BY A DATE ESTABLISHED BY RULE OF THE MEDICAL SERVICES BOARD, THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE STATE DEPARTMENT CONCERNING ANY SCHOOL DISTRICT THAT CHOOSES TO ENTER INTO A CONTRACT AS PROVIDED IN THIS SECTION AND THE ANTICIPATED LEVEL OF FUNDING FOR THE SCHOOL DISTRICT. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE A SCHOOL DISTRICT TO MAINTAIN THE SAME LEVEL OF FUNDING OR SERVICES FROM YEAR TO YEAR.
- (4) (a) (I) EACH SCHOOL DISTRICT THAT CHOOSES TO ENTER INTO A CONTRACT AS PROVIDED IN THIS SECTION SHALL DEVELOP A SERVICES PLAN WITH INPUT FROM THE LOCAL COMMUNITY THAT IDENTIFIES THE TYPES OF HEALTH SERVICES NEEDED BY STUDENTS WITHIN THE SCHOOL DISTRICT AND THE SERVICES IT ANTICIPATES PROVIDING. EXCEPT FOR MEDICAL EMERGENCIES AND SERVICES RELATED TO ALLEGATIONS OF CHILD ABUSE, A STUDENT'S PARTICIPATION IN ANY PSYCHOLOGICAL, BEHAVIORAL, SOCIAL, OR EMOTIONAL SERVICES, INCLUDING COUNSELING OR

REFERRALS, SHALL BE OPTIONAL AND SHALL REQUIRE THE PRIOR WRITTEN AND INFORMED CONSENT OF A PARENT OR LEGAL GUARDIAN OF THE STUDENT.

- (II) (A) ANY HEALTH QUESTIONNAIRE OR FORM RELATED TO SERVICES FUNDED IN PART THROUGH THIS SECTION SHALL ONLY RELATE TO THE STUDENT'S PERSONAL HEALTH, HABITS, OR CONDUCT AND SHALL NOT INCLUDE QUESTIONS CONCERNING THE HABITS, OR CONDUCT OF ANY OTHER MEMBER OF THE STUDENT'S FAMILY.
- (B) NO MEDICAL OR HEALTH DATA OR INFORMATION IDENTIFYING THE STUDENT OR THE STUDENT'S FAMILY SHALL BE DISCLOSED TO ANY PERSON OTHER THAN A PERSON SPECIFICALLY AUTHORIZED TO RECEIVE THE INFORMATION OR DATA WITHOUT THE PRIOR WRITTEN AND INFORMED CONSENT OF A PARENT OR LEGAL GUARDIAN OF THE STUDENT.
- (b) EACH SCHOOL DISTRICT THAT CHOOSES TO ENTER INTO A CONTRACT AS PROVIDED IN THIS SECTION SHALL PERFORM AN ASSESSMENT OF THE HEALTH CARE NEEDS OF ITS UNINSURED AND UNDERINSURED STUDENTS AND MAY SPEND AN APPROPRIATE PORTION, NOT TO EXCEED THIRTY PERCENT, OF THE FEDERAL MONEYS RECEIVED ON HEALTH CARE FOR LOW-INCOME STUDENTS. FOR PURPOSES OF THIS PARAGRAPH (b), LOW-INCOME STUDENTS MEANS STUDENTS WHOSE FAMILIES ARE BELOW ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL.
- (c) THE SCHOOL DISTRICT SHALL SUBMIT THE SERVICES PLAN TO THE DEPARTMENT OF EDUCATION WITH A NOTICE OF PARTICIPATION FOR PURPOSES OF TECHNICAL ASSISTANCE EVALUATION AND TO THE EXECUTIVE DIRECTOR FOR APPROVAL.
- (5) EACH YEAR NOT LESS THAN NINETY DAYS PRIOR TO THE NOTIFICATION DATE ESTABLISHED PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE STATE DEPARTMENT SHALL PROVIDE INFORMATION THROUGH THE DEPARTMENT OF EDUCATION TO SCHOOL DISTRICTS REGARDING THE AMOUNT OF AVAILABLE MONEYS AND THE ADMINISTRATIVE ACTIVITIES REQUIRED TO ENTER INTO A CONTRACT FOR FEDERAL MATCHING FUNDS FOR THAT YEAR. TO THE EXTENT ALLOWED BY EXISTING RESOURCES, THE DEPARTMENT OF EDUCATION SHALL PROVIDE TECHNICAL ASSISTANCE TO SCHOOL DISTRICTS IN DETERMINING LEVELS OF FUNDING, MEETING ADMINISTRATIVE REQUIREMENTS, AND DEVELOPING SERVICES PLANS.
- (6) FOLLOWING THE NOTIFICATION DATE ESTABLISHED PURSUANT TO SUBSECTION (3) OF THIS SECTION, EACH CONTRACTING SCHOOL DISTRICT, THROUGH THE DEPARTMENT OF EDUCATION, SHALL ENTER INTO A CONTRACT WITH THE STATE DEPARTMENT SPECIFYING THE HEALTH SERVICES TO BE PROVIDED BY THE SCHOOL DISTRICT, THE AMOUNT TO BE EXPENDED IN PROVIDING THE SERVICES, AND THE AMOUNT OF FEDERAL MATCHING FUNDS FOR WHICH THE SCHOOL DISTRICT IS ELIGIBLE UNDER THE CONTRACT.
- (7) THE STATE DEPARTMENT IS AUTHORIZED TO ACCEPT AND EXPEND DONATIONS, CONTRIBUTIONS, GRANTS, INCLUDING FEDERAL MATCHING FUNDS, AND OTHER MONEYS THAT IT MAY RECEIVE TO FINANCE THE COSTS ASSOCIATED WITH IMPLEMENTING THIS SECTION.
- (8) (a) Under the contract entered into pursuant to this section, a contracting school district shall receive from the state department all

OF THE FEDERAL MATCHING FUNDS FOR WHICH IT IS ELIGIBLE UNDER THE CONTRACT, LESS THE AMOUNT OF STATE ADMINISTRATIVE COSTS ALLOWED UNDER PARAGRAPH (b) OF THIS SUBSECTION (8). ALL MONEYS RECEIVED BY A SCHOOL DISTRICT PURSUANT TO THIS SECTION SHALL BE USED ONLY TO OFFSET COSTS INCURRED FOR PROVISION OF STUDENT HEALTH SERVICES BY THE SCHOOL DISTRICT OR TO CASH FUND STUDENT HEALTH SERVICES IN THE SCHOOL DISTRICT.

- (b) Total allowable state administrative costs for contracts entered into under this section for both the state department and the department of education are two hundred thousand dollars or two percent of the total annual amount of federal funds allocated to the contracts for the entire state, whichever is greater. State administrative costs include costs incurred in evaluating the implementation of this section.
- (9) THE BOARD OF MEDICAL SERVICES SHALL SPECIFY BY RULE THE TYPES OF HEALTH SERVICES FOR WHICH A SCHOOL DISTRICT MAY RECEIVE FEDERAL MATCHING FUNDS UNDER A CONTRACT CREATED UNDER THIS SECTION, INCLUDING BUT NOT LIMITED TO:
  - (a) BASIC PRIMARY, PHYSICAL, DENTAL, AND MENTAL HEALTH SERVICES;
  - (b) REHABILITATION SERVICES;
  - (c) EARLY AND PERIODIC SCREENING, DIAGNOSIS, AND TREATMENT SERVICES; AND
- (d) Service coordination, outreach, enrollment, and administrative support.
- (10) (a) A SCHOOL DISTRICT THAT PROVIDES HEALTH SERVICES UNDER CONTRACT PURSUANT TO THIS SECTION MAY PROVIDE THE HEALTH SERVICES DIRECTLY OR THROUGH CONTRACTUAL RELATIONSHIPS OR AGREEMENTS WITH PUBLIC OR PRIVATE ENTITIES, AS ALLOWED BY APPLICABLE FEDERAL REGULATIONS. HOWEVER, NO MONEYS SHALL BE EXPENDED IN ANY FORM FOR ABORTIONS, EXCEPT AS PROVIDED IN SECTION 26-4-512 OR AS REQUIRED BY FEDERAL LAW.
- (b) Where possible, the school district shall coordinate the provision of health services to a student with the student's primary health care provider. Except for those services that are required by an individual educational program developed pursuant to section 22-20-108 (4), C.R.S., or by a section 504 plan developed pursuant to the federal "Rehabilitation act of 1973", 29 U.S.C. sec. 701, et seq., school districts shall not claim reimbursement under this section for direct services to students enrolled in health maintenance organizations that would normally be provided to students by their health maintenance organization.
- (11) (a) THE EXECUTIVE DIRECTOR SHALL APPLY FOR AND SECURE ANY FEDERAL WAIVERS AND STATE PLAN AMENDMENTS REQUIRED TO IMPLEMENT THIS SECTION.
- (b) THE IMPLEMENTATION OF THIS SECTION IS CONDITIONED UPON WRITTEN APPROVAL OF A STATE MEDICAID PLAN AMENDMENT BY THE FEDERAL HEALTH CARE FINANCING ADMINISTRATION, AND, IF SUCH WRITTEN APPROVAL IS NOT RECEIVED BY

THE STATE DEPARTMENT ON OR BEFORE JUNE 30, 1998, THIS SECTION IS REPEALED, AS OF JULY 1, 1998. IN ADDITION, THIS SECTION SHALL REMAIN IN EFFECT ONLY FOR SO LONG AS FEDERAL FINANCIAL PARTICIPATION IS AVAILABLE FOR REIMBURSEMENTS TO SCHOOL DISTRICTS. IN THE EVENT, AS SPECIFIED IN WRITING BY THE ATTORNEY GENERAL TO THE GOVERNOR THAT FEDERAL LAW DOES NOT ALLOW OR IS AMENDED TO DISALLOW REIMBURSEMENTS TO SCHOOL DISTRICTS OR OTHERWISE PREVENT THE IMPLEMENTATION OF THIS SECTION, THIS SECTION IS REPEALED, EFFECTIVE ON THE DATE OF THE ATTORNEY GENERAL'S OPINION.

- (12) THE STATE DEPARTMENT AND THE DEPARTMENT OF EDUCATION SHALL WORK WITH THE OFFICE OF STATE PLANNING AND BUDGETING AND THE JOINT BUDGET COMMITTEE IN IMPLEMENTING THIS SECTION.
- (13) THE STATE DEPARTMENT AND THE DEPARTMENT OF EDUCATION SHALL ENTER INTO AN INTERAGENCY AGREEMENT TO PROVIDE FOR THE IMPLEMENTATION OF THIS SECTION. THE MEDICAL SERVICES BOARD AND THE STATE BOARD OF EDUCATION ARE AUTHORIZED TO PROMULGATE RULES AS MAY BE NECESSARY IN ACCORDANCE WITH THE AGREEMENT.
- (14) THE STATE DEPARTMENT SHALL ANNUALLY, OR MORE OFTEN AS NECESSARY, HOLD A PUBLIC HEARING TO RECEIVE COMMENTS FROM SCHOOL DISTRICTS, STATE AGENCIES, AND INTERESTED PERSONS REGARDING IMPLEMENTATION OF THIS SECTION.
- (15) ON OR BEFORE DECEMBER 15, 2002, THE STATE DEPARTMENT SHALL SUBMIT A FORMAL EVALUATION OF THE IMPLEMENTATION OF THIS SECTION TO THE COMMITTEES ON EDUCATION AND THE COMMITTEES ON HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS OF THE HOUSE OF REPRESENTATIVES AND THE SENATE.
- **SECTION 2.** 26-4-103 (13.5), Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:
- **26-4-103. Definitions.** As used in this article, unless the context otherwise requires:
- (13.5) "Provider" means any person, public or private institution, agency, or business concern providing medical care, services, or goods authorized under this article and holding, where applicable, a current valid license or certificate to provide such services or to dispense such goods and enrolled under the state medical assistance program. These services must be provided and goods must be dispensed only if performed, referred, or ordered by a doctor of medicine or a doctor of osteopathy. Services of dentists, podiatrists, and optometrists OR SERVICES PROVIDED BY A SCHOOL DISTRICT UNDER SECTION 26-4-531 need not be referred or ordered by a doctor of medicine or a doctor of osteopathy.
- **SECTION 3.** 26-4-203 (1), Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:
- **26-4-203. Mandated programs with special state provisions.** (1) This section specifies programs developed by Colorado to meet federal mandates. These programs include but are not limited to:

- (f) The program to provide health services to students by school districts as specified in section 26-4-531.
- **SECTION 4.** 26-4-513, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:
- **26-4-513.** Clinic services. (6) "CLINIC SERVICES" ALSO MEANS PREVENTIVE, DIAGNOSTIC, THERAPEUTIC, REHABILITATIVE, OR PALLIATIVE ITEMS OR SERVICES THAT ARE FURNISHED TO STUDENTS BY A SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, OR STATE EDUCATIONAL INSTITUTION WITHIN THE SCOPE OF THE "COLORADO MEDICAL ASSISTANCE ACT" PURSUANT TO THE PROVISIONS OF SECTION 26-4-531.
- **SECTION 5.** 22-2-112 (1), Colorado Revised Statutes, 1995 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:
- **22-2-112. Commissioner duties.** (1) Subject to the supervision of the state board, the commissioner has the following duties:
- (n) To enter into an interagency agreement with the department of health care policy and financing and to promulgate such rules and regulations as may be necessary under the agreement to enable school districts, boards of cooperative services, and state educational institutions to enter into contracts and to receive federal matching funds for moneys spent in providing student health services as provided in section 26-4-513 (6) or 26-4-531, C.R.S.;
- **SECTION 6.** 22-5-108 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:
- **22-5-108.** Powers of board of cooperative services. (1) In addition to any other powers granted by law, the board of cooperative services shall have the following specific powers, to be exercised in its judgment:
- (h) To enter into contracts and to receive federal matching funds for moneys spent in providing student health services pursuant to section 26-4-513 (6) or 26-4-531, C.R.S.
- **SECTION 7.** 22-32-110 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:
- **22-32-110. Board of education specific powers.** (1) In addition to any other power granted to a board of education of a school district by law, each board of education of a school district shall have the following specific powers, to be exercised in its judgment:
- (ii) TO ENTER INTO CONTRACTS AND TO RECEIVE FEDERAL MATCHING FUNDS FOR MONEYS SPENT IN PROVIDING STUDENT HEALTH SERVICES PURSUANT TO SECTION 26-4-513 (6) OR 26-4-531, C.R.S.
  - SECTION 8. 22-80-103, Colorado Revised Statutes, 1995 Repl. Vol., is amended

to read:

- **22-80-103. Name powers.** (1) Such institution is a body corporate under the name of Colorado school for the deaf and the blind and may sue and be sued and may take and hold real estate by gift, devise, or otherwise for the use and benefit of such school.
- (2) The institution may enter into contracts and receive federal matching funds for moneys spent in providing student health services as provided in section 26-4-513 (6) or 26-4-531, C.R.S.
- **SECTION 9. Repeal.** Article 82 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., as amended, is repealed.
- **SECTION 10. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, medical services, other medical programs, for the fiscal year beginning July 1, 1997, the sum of seventeen million eight hundred fifty-four thousand three hundred twenty-six dollars (\$17,854,326) and 2.0 FTE, or so much thereof as may be necessary for the implementation of this act. Of said sum, eight million five hundred sixty-four thousand seven hundred twenty dollars (\$8,564,720) shall be from moneys provided by school districts and nine million two hundred eighty-nine thousand six hundred six dollars (\$9,289,606) shall be from matching federal funds. Of the federal funds appropriated, ninety thousand two hundred eighty-eight dollars (\$90,288), or so much thereof as may be necessary for the implementation of this act, shall be for the department's administrative expenses.
- (2) In addition to any other appropriation, there is hereby appropriated, to the department of education, school district and library assistance, for the fiscal year beginning July 1, 1997, the sum of ninety-nine thousand three hundred ninety-nine dollars (\$99,399), or so much thereof as may be necessary for the implementation of this act. Said sum shall be from a cash funds exempt transfer made from the department of health care policy and financing out of the federal funds appropriation made in subsection (1) of this section and pursuant to the interagency agreement developed pursuant to section 26-4-531 (13), Colorado Revised Statutes.
- (3) In addition to any other appropriation, there is hereby appropriated, to the department of education, distributions, for the fiscal year beginning July 1, 1997, the sum of nine million ninety-nine thousand nine hundred nineteen dollars (\$9,099,919), or so much thereof as may be necessary for the implementation of this act. Said sum shall be from a cash funds exempt transfer made from the department of health care policy and financing out of the federal funds appropriation made in subsection (1) of this section and pursuant to the interagency agreement developed pursuant to section 26-4-531 (13), Colorado Revised Statutes.
- **SECTION 11. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 28, 1997