

## CHAPTER 200

---

**HEALTH CARE POLICY AND FINANCING**

---

SENATE BILL 06-129

BY SENATOR(S) Keller, Owen, and Tapia;  
also REPRESENTATIVE(S) Buescher, Hall, Plant, Benefield, Coleman, Madden, and Riesberg.

**AN ACT**

**CONCERNING THE UTILIZATION OF A CASH SYSTEM OF ACCOUNTING FOR NONADMINISTRATIVE EXPENDITURES THAT QUALIFY FOR FEDERAL FINANCIAL PARTICIPATION UNDER TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT", AND MAKING AN APPROPRIATION THEREFOR.**

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

**SECTION 1.** 26-4-110.7, Colorado Revised Statutes, is amended to read:

**26-4-110.7. Cash system of accounting - financial administration of medical services premiums - medical programs administered by department of human services - rules.** (1) The state department shall utilize the cash system of accounting, as enunciated by the governmental accounting standards board, regardless of the source of revenues involved, for all activities of the state department relating to the financial administration of ANY NONADMINISTRATIVE EXPENDITURE THAT QUALIFIES FOR FEDERAL FINANCIAL PARTICIPATION UNDER TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT", EXCEPT FOR EXPENDITURES UNDER THE PROGRAM FOR THE MEDICALLY INDIGENT, ARTICLE 15 OF THIS TITLE.

~~(a) Medical services premiums; and~~

~~(b) Medical programs under this article administered by the department of human services, except for expenditures for costs incurred in the administration of such programs.~~

(2) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES TO IDENTIFY THE PROGRAMS UTILIZING THE CASH SYSTEM OF ACCOUNTING.

**SECTION 2.** 24-75-201 (2) (a) (II), Colorado Revised Statutes, is amended to read:

---

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

**24-75-201. General fund - general fund surplus - custodial moneys.**

(2) (a) The general fund surplus shall be determined based upon the accrual system of accounting, as enunciated by the governmental accounting standards board; except that:

(II) General fund revenues shall be restricted only upon the issuance of a commitment voucher to the state controller by the department of health care policy and financing for the payment of a sufficient claim that warrants reimbursement in accordance with the "Colorado Medical Assistance Act", article 4 of title 26, C.R.S., from general fund revenues appropriated for ANY NONADMINISTRATIVE EXPENDITURE THAT QUALIFIES FOR FEDERAL FINANCIAL PARTICIPATION UNDER TITLE XIX OF THE FEDERAL "SOCIAL SECURITY ACT", EXCEPT FOR EXPENDITURES UNDER THE PROGRAM FOR THE MEDICALLY INDIGENT, ARTICLE 15 OF TITLE 26, C.R.S.

~~(A) Medical services premiums; or~~

~~(B) Medical services provided through programs under said act that are administered by the department of human services, except for expenditures for costs incurred in the administration of such programs.~~

**SECTION 3. Appropriation - adjustment to the 2005 long bill.** (1) For the implementation of this act, appropriations made in the annual general appropriation act to the department of health care policy and financing, for the fiscal year beginning July 1, 2005, shall be adjusted as follows:

(a) The appropriation for other medical services, nurse home visitor program, is decreased by two hundred thirty-one thousand twenty-eight dollars (\$231,028). Of said sum, one hundred fifteen thousand five hundred fourteen dollars (\$115,514) shall be from a transfer of funds from the department of public health and environment from the nurse home visitor program fund created in section 25-31-107 (2) (b), Colorado Revised Statutes, and one hundred fifteen thousand five hundred fourteen dollars (\$115,514) shall be from federal funds.

(b) The appropriation for other medical services, S.B. 97-101 public school health services, is decreased by five million four hundred twelve thousand three hundred thirteen dollars (\$5,412,313). Of said sum, two million seven hundred six thousand one hundred fifty-six dollars (\$2,706,156) shall be from funds certified as representing expenditures incurred by school districts that are eligible for federal financial participation under Medicaid and two million seven hundred six thousand one hundred fifty-seven dollars (\$2,706,157) shall be from federal funds.

(2) For the implementation of this act, appropriations made in the annual general appropriation act to the department of education, for the fiscal year beginning July 1, 2005, shall be adjusted as follows: The cash funds exempt appropriation for assistance to public schools, grant programs and other distributions, S.B. 97-101 public school health services, is decreased by two million seven hundred six thousand one hundred fifty-seven dollars (\$2,706,157). Said sum shall be from medicaid funds transferred from the department of health care policy and financing.

**SECTION 4. 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 11, 2006