

## CHAPTER 323

---

**HEALTH CARE POLICY AND FINANCING**

---

**SENATE BILL 06-044**

BY SENATOR(S) Hagedorn, Shaffer, Bacon, Boyd, Fitz-Gerald, Groff, Isgar, Keller, Mitchell, Tochtrop, Tupa, Veiga, Williams, and Windels;  
also REPRESENTATIVE(S) Green, Buescher, Carroll M., Frangas, Hodge, Jahn, McGihon, Merrifield, Paccione, Pommer, Riesberg, Romanoff, Solano, and Todd.

**AN ACT****CONCERNING THE PROVISION OF HEALTH CARE SERVICES TO SPECIFIED LOW-INCOME ADULTS, AND MAKING AN APPROPRIATION THEREFOR.**

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

**SECTION 1. Legislative declaration.** (1) The general assembly finds and declares that:

(a) Many uninsured Coloradans use hospital emergency rooms for either basic health care services or for the treatment of illnesses that if treated earlier would have been considerably less expensive.

(b) Uncompensated care is reflected in an increase in hospital charges, which shifts the cost of care to the health insurance companies.

(c) In order to reduce this cost-shifting and to provide better care for uninsured Coloradans, additional resources need to be targeted to primary care services in the state.

(d) The increase in the provision of primary care services will reduce the use of hospital emergency rooms by uninsured Coloradans for nonemergency care.

(e) A reduction in uncompensated hospital care, specifically in emergency rooms, will decrease the financial losses of hospitals, which should decrease the cost-shift to the health insurance companies; this outcome should be reflected in a decrease in individual health insurance premiums.

---

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

(2) The general assembly, therefore, supports an increase in funding for primary care services and encourages the executive branch regulatory agencies to monitor the cost-shifting occurring within Colorado's health care system.

**SECTION 2.** 26-15-104, Colorado Revised Statutes, is amended to read:

**26-15-104. Program for the medically indigent established - eligibility - rules.**

(1) A program for the medically indigent is hereby established, to commence July 1, 1983, which shall be administered by the department of health care policy and financing, to provide payment to providers for the provision of medical services to eligible persons who are medically indigent. The department of health care policy and financing may promulgate such rules and regulations as are necessary for the implementation of this part 1 in accordance with article 4 of title 24, C.R.S.

(2) A CLIENT'S ELIGIBILITY TO RECEIVE DISCOUNTED SERVICES UNDER THE PROGRAM FOR THE MEDICALLY INDIGENT SHALL BE DETERMINED BY RULE OF THE STATE BOARD BASED ON A SPECIFIED PERCENTAGE OF THE FEDERAL POVERTY LEVEL, ADJUSTED FOR FAMILY SIZE, WHICH PERCENTAGE SHALL NOT BE LESS THAN TWO HUNDRED FIFTY PERCENT.

**SECTION 3.** 26-15-106 (1), Colorado Revised Statutes, is amended, and the said 26-15-106 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**26-15-106. Responsibility of the department of health care policy and financing - provider reimbursement.** (1) The state department shall be responsible for:

(a) Execution of such contracts with providers for partial reimbursement of costs for medical services rendered to the medically indigent as the state department shall determine are necessary for the program;

(b) Promulgation of such reasonable rules as are necessary for the program; ~~and~~

(c) Submission of the report required in section 26-15-105; AND

(d) APPLICATION FOR FEDERAL FINANCIAL PARTICIPATION UNDER THE PROGRAM.

(20) AFTER RECEIVING APPROVAL BY THE STATE DEPARTMENT, A COMMUNITY HEALTH CLINIC MAY UTILIZE MONEYS RECEIVED PURSUANT TO THIS ARTICLE, AND ANY GIFTS, GRANTS, AND DONATIONS FOR THE DEVELOPMENT AND IMPLEMENTATION OF DEMONSTRATION PROJECTS THAT MAY INCLUDE BUT NEED NOT BE LIMITED TO COORDINATION OF CARE AND DISEASE MANAGEMENT.

**SECTION 4.** Article 15 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**26-15-114. Health care services fund - creation - state plan amendment.**

(1)(a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE COLORADO HEALTH CARE SERVICES FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND SHALL CONSIST OF MONEYS CREDITED THERETO PURSUANT TO THIS SECTION.

(b) IN FISCAL YEAR 2005-06, THE GENERAL ASSEMBLY SHALL APPROPRIATE FOURTEEN MILLION NINE HUNDRED SIXTY-TWO THOUSAND FOUR HUNDRED EIGHT DOLLARS FROM THE GENERAL FUND TO THE FUND. IN FISCAL YEAR 2007-08 AND EACH OF THE TWO FISCAL YEARS THEREAFTER, FIFTEEN MILLION DOLLARS OF THE MONEYS IN THE GENERAL FUND EXEMPT ACCOUNT CREATED IN SECTION 24-77-103.6 (2), C.R.S., SHALL BE APPROPRIATED BY THE GENERAL ASSEMBLY TO THE FUND.

(c) ALL MONEYS APPROPRIATED TO THE FUND SHALL BE USED AS PROVIDED IN THIS SECTION AND SHALL NOT BE DEPOSITED IN OR TRANSFERRED TO THE GENERAL FUND OF THIS STATE OR TO ANY OTHER FUND. NOTWITHSTANDING ANY PROVISION OF SECTION 24-36-114, C.R.S., TO THE CONTRARY, ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND.

(2) IN FISCAL YEAR 2006-07, AND EACH OF THE THREE FISCAL YEARS THEREAFTER, NOTWITHSTANDING THE REQUIREMENTS OF SECTION 26-15-106 (9) (b), THE MONEYS DEPOSITED INTO THE FUND SHALL BE APPROPRIATED AS FOLLOWS:

(a) OF THE MONEYS APPROPRIATED PURSUANT TO THIS SUBSECTION (2), EIGHTEEN PERCENT OF THE MONEYS ANNUALLY APPROPRIATED SHALL BE TO DENVER HEALTH AND HOSPITALS AS THE COMMUNITY HEALTH CLINIC PROVIDER FOR THE CITY AND COUNTY OF DENVER.

(b) (I) FOR FISCAL YEAR 2006-07, EIGHTY-TWO PERCENT OF THE MONEYS REMAINING AFTER THE APPROPRIATION PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE APPROPRIATED TO COMMUNITY HEALTH CLINICS TO PROVIDE PRIMARY CARE SERVICES TO LOW-INCOME ADULTS PURSUANT TO THIS ARTICLE.

(II) FOR FISCAL YEAR 2006-07, EIGHTEEN PERCENT OF THE MONEYS REMAINING AFTER THE APPROPRIATION PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE APPROPRIATED TO PRIMARY CARE CLINICS OPERATED BY A LICENSED OR CERTIFIED HEALTH CARE FACILITY TO PROVIDE PRIMARY CARE SERVICES TO LOW-INCOME ADULTS PURSUANT TO THIS ARTICLE.

(III) FOR FISCAL YEAR 2007-08 AND EACH OF THE TWO FISCAL YEARS THEREAFTER, THE ALLOCATION OF THE MONEYS REMAINING AFTER THE APPROPRIATION PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE DETERMINED BASED ON PRIOR UTILIZATION AS SPECIFIED IN RULE BY THE MEDICAL SERVICES BOARD.

(3) THE STATE DEPARTMENT SHALL SUBMIT A STATE PLAN AMENDMENT FOR FEDERAL FINANCIAL PARTICIPATION FOR MONEYS APPROPRIATED TO PRIMARY CARE CLINICS OPERATED BY A LICENSED OR CERTIFIED HEALTH CARE FACILITY. UPON APPROVAL OF THE STATE PLAN AMENDMENT, THE STATE DEPARTMENT IS AUTHORIZED TO RECEIVE AND EXPEND ALL AVAILABLE FEDERAL MONEYS WITHOUT A CORRESPONDING REDUCTION IN CASH FUNDS EXEMPT SPENDING AUTHORITY FROM THE FUND.

**SECTION 5.** Part V (4) and the affected totals of section 2 of chapter 354, Session Laws of Colorado 2005, as amended by section 1 of House Bill 06-1217

and section 6 of House Bill 06-1385, enacted at the Second Regular Session of the Sixty-fifth General Assembly, are amended to read:

Section 2. **Appropriation.**

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

**PART V**

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

**(4) INDIGENT CARE PROGRAM**

Safety Net Provider Payments <sup>43</sup>	281,007,750		9,432,484(M)		131,071,391 <sup>a</sup>	140,503,875
The Children's Hospital, Clinic Based Indigent Care	<del>36,244,576</del> 6,319,760		<del>18,122,288(M)</del> 3,159,880(M)			<del>18,122,288</del> 3,159,880
Pediatric Speciality Hospital	5,452,134		2,726,067(M)			2,726,067
H.B. 97-1304 Children's Basic Health Plan Trust	23,342,785		2,255,000	160,256 <sup>b</sup>	20,927,529 <sup>c</sup>	
Children's Basic Health Plan Administration	4,181,207				1,947,089 <sup>d</sup>	2,234,118
Children's Basic Health Plan Premium Costs <sup>44</sup>	77,006,123				27,056,309 <sup>d</sup>	49,949,814

Ch. 323

Health Care Policy and Financing

1609

	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				FEDERAL FUNDS
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	
	\$	\$	\$	\$	\$	\$	\$
Children's Basic Health Plan Dental Benefit Costs	6,218,783					2,176,574 <sup>d</sup>	4,042,209
Comprehensive Primary and Preventive Care Fund	2,615,941					2,615,941 <sup>e</sup>	
Comprehensive Primary and Preventive Care Grants Program	<u>2,615,941</u>					2,615,941 <sup>f</sup>	
		438,685,240					
		408,760,424					

<sup>a</sup> This amount represents public funds certified as representing expenditures incurred by hospitals that are eligible for federal financial participation under the Medicaid Major Teaching Hospital Program, Medicaid, and the Medicaid Disproportionate Share Payments to Hospitals Program.

<sup>b</sup> This amount shall be from annual premiums paid by participating families.

<sup>c</sup> This amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104.5 (1) (c), C.R.S.

<sup>d</sup> These amounts shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

<sup>e</sup> This amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104.5 (1) (b), C.R.S.

<sup>f</sup> This amount shall be from the Comprehensive Primary and Preventive Care Fund created in Section 26-4-1007, C.R.S., pursuant to Section 24-75-1104.5 (1) (b), C.R.S.

**TOTALS PART V  
(HEALTH CARE  
POLICY AND  
FINANCING)<sup>4, 5</sup>**

\$3,218,624,823	\$1,096,833,419	\$261,300,000	\$655,697	\$288,981,272 <sup>a</sup>	\$1,570,854,435
\$3,188,700,007	\$1,081,871,011				\$1,555,892,027

<sup>a</sup> Of this amount, \$35,506,280 contains an (T) notation, and \$551,894 contains a (L) notation.

**SECTION 6. Appropriation.** In addition to any other appropriation, for the fiscal year beginning July 1, 2005, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of health care policy and financing, for the Colorado health care services fund, created in section 26-14-114 (1) (a), Colorado Revised Statutes, the sum of fourteen million nine hundred sixty-two thousand four hundred eight dollars (\$14,962,408).

**SECTION 7. Appropriation** In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, division of indigent care, for the health care services fund program, for the fiscal year beginning July 1, 2006, the sum of fourteen million nine hundred sixty-two thousand four hundred eight dollars (\$14,962,408), or so much thereof as may be necessary, for the implementation of this act. Said sum shall be from the health care services fund created in section 26-15-114 (1), Colorado Revised Statutes. In addition, said sum shall be allocated pursuant to the formula in section 26-15-114 (2), Colorado Revised Statutes.

**SECTION 8. Relocation of harmonizable provisions.** Section 26-15-114, Colorado Revised Statutes, as enacted in section 4 of this act will be renumbered as and relocated to section 25.5-3-112, Colorado Revised Statutes, only if SB06-219 is enacted and becomes law.

**SECTION 9. 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: June 2, 2006