#### CHAPTER 41

## **GOVERNMENT - STATE**

#### SENATE BILL 07-097

BY SENATOR(S) Fitz-Gerald, Boyd, Bacon, Groff, Keller, Morse, Shaffer, Tochtrop, Veiga, Windels, Gordon, Romer, Schwartz, Tapia, and Tupa;

also REPRESENTATIVE(S) Madden, McGihon, Benefield, Borodkin, Buescher, Carroll M., Casso, Fischer, Gibbs, Green, Hodge, Jahn, Kefalas, Labuda, Levy, Merrifield, Peniston, Pommer, Primavera, Romanoff, Solano, and Todd.

# AN ACT

CONCERNING THE ALLOCATION OF TOBACCO LITIGATION SETTLEMENT MONEYS THAT ARE NOT CURRENTLY REQUIRED TO BE ALLOCATED TO EXISTING TOBACCO SETTLEMENT PROGRAMS TO HEALTH-CARE RELATED PROGRAMS THAT, EXCEPT FOR THE CHILDREN'S BASIC HEALTH PLAN, DO NOT CURRENTLY RECEIVE TOBACCO LITIGATION SETTLEMENT MONEYS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

**SECTION 1.** 24-22-115 (1) and (3), Colorado Revised Statutes, are amended to read:

24-22-115. Tobacco litigation settlement cash fund - creation. (1) (a) There is hereby created in the state treasury the tobacco litigation settlement cash fund. The cash fund shall consist of all moneys transmitted to the state treasurer in accordance with the terms of the master settlement agreement, the smokeless tobacco master settlement agreement, and the consent decree approved and entered by the court in the case denominated State of Colorado, ex rel. Gale A. Norton, Attorney General v. R.J. Reynolds Tobacco Co.; American Tobacco Co., Inc.; Brown & Williamson Tobacco Corp.; Liggett & Myers, Inc.; Lorillard Tobacco Co., Inc.; Philip Morris, Inc.; United States Tobacco Co.; B.A.T. Industries, P.L.C.; The Council For Tobacco Research--U.S.A., Inc.; and Tobacco Institute, Inc., Case No. 97 CV 3432, in the district court for the city and county of Denver other than moneys credited to the tobacco litigation settlement trust fund pursuant to section 24-22-115.5. Except as provided in subsection (2) of this section, all interest derived from the deposit and investment of moneys in the cash fund shall be credited to the cash fund; except that, beginning with the fiscal year 2001-02, and each fiscal year thereafter, all interest derived from the deposit and investment of

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

moneys in the cash fund shall be credited to the breast and cervical cancer prevention and treatment fund created pursuant to section 25.5-5-308, C.R.S. Except as provided in subsection (2) of this section, all moneys in the cash fund shall be subject to appropriation by the general assembly for such purposes as may be authorized by law in accordance with the terms of the settlement agreements and the consent decree. Except as provided in subsection (2) of this section, at the end of the 2004-05 AND 2005-06 fiscal year and at the end of each succeeding fiscal year YEARS, but prior to the making of any transfer of moneys from the cash fund to the general fund at the end of the fiscal year as required by this subsection (1) PARAGRAPH (a), an amount needed, up to one million dollars, to pay the state's share of the annual funding required by the "Home- and Community-based Services for Children with Autism Act", part 8 of article 6 of title 25.5, C.R.S., shall be transferred from the cash fund to the Colorado autism treatment fund created pursuant to section 25.5-6-805, C.R.S. Except as provided in subsection (2) of this section, at the end of any fiscal year commencing on or after July 1, 2004, BUT BEFORE JULY 1, 2006, all unexpended and unencumbered moneys in the cash fund, all moneys in the cash fund not appropriated for the following fiscal year, and all moneys in the cash fund not required for transfers pursuant to section 24-75-1104.5 (1) in the following fiscal year shall be transferred to the general fund.

- (b) EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, FOR THE 2006-07 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER, AN AMOUNT NEEDED, UP TO ONE MILLION DOLLARS, TO PAY THE STATE'S SHARE OF THE ANNUAL FUNDING REQUIRED BY THE "HOME- AND COMMUNITY-BASED SERVICES FOR CHILDREN WITH AUTISM ACT", PART 8 OF ARTICLE 6 OF TITLE 25.5, C.R.S., SHALL BE TRANSFERRED FROM THE TOBACCO LITIGATION SETTLEMENT CASH FUND TO THE COLORADO AUTISM TREATMENT FUND CREATED PURSUANT TO SECTION 25.5-6-805, C.R.S. THE AMOUNT TO BE TRANSFERRED SHALL BE TAKEN INTO ACCOUNT WHEN DETERMINING THE AMOUNT OF CASH FUND MONEYS AVAILABLE FOR ALLOCATION TO TOBACCO SETTLEMENT PROGRAMS PURSUANT TO SECTION 24-75-1104.5 (1.5) AND SHALL BE TRANSFERRED AT THE END OF THE 2006-07 FISCAL YEAR AND AT THE END OF EACH SUCCEEDING FISCAL YEAR. EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, AT THE END OF ANY FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2006, ALL UNEXPENDED AND UNENCUMBERED MONEYS IN THE CASH FUND, ALL MONEYS IN THE CASH FUND NOT APPROPRIATED FOR THE FOLLOWING FISCAL YEAR, AND ALL MONEYS IN THE CASH FUND NOT REQUIRED FOR TRANSFERS PURSUANT TO SECTION 24-75-1104.5(1) OR (1.5) IN THE FOLLOWING FISCAL YEAR SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S.
- (3) Notwithstanding any other provision of this section and except as provided in section 24-75-1104.5 (1) (c), for the 2006-07 fiscal year and for each fiscal year thereafter, the state treasurer shall transfer an amount equal to the lesser of twenty million dollars or twenty-one percent of the moneys transmitted annually to the state treasurer pursuant to subsection (1) of this section to the general fund.

**SECTION 2.** 24-22-115.5 (2) (a) (II), Colorado Revised Statutes, is amended to read:

**24-22-115.5.** Legislative declaration - tobacco litigation settlement trust fund - creation. (2) (a) There is hereby created in the state treasury the tobacco

litigation settlement trust fund. The principal of the trust fund shall consist of:

(II) For the 2005-06 fiscal year, and for each fiscal year thereafter, up to twenty-one percent of the moneys, other than attorney fees and costs, paid to the state treasurer in accordance with the settlement agreements and the consent decree in the preceding fiscal year, less the amount transferred to the general fund pursuant to section 24-22-115 (3).

**SECTION 3.** 24-22-117 (2) (e), Colorado Revised Statutes, is amended to read:

- **24-22-117.** Tobacco tax cash fund accounts creation repeal. (2) There are hereby created in the state treasury the following funds:
- (e) (I) The pediatric specialty hospital fund to be administered by the department of health care policy and financing. For fiscal year 2006-07 and for each fiscal year thereafter, moneys in the pediatric specialty hospital fund shall be annually appropriated by the general assembly to the department of health care policy and financing to augment hospital reimbursement rates for regional pediatric trauma centers as defined in section 25-3.5-703 (4) (f), C.R.S., under the "Colorado Medical Assistance Act", articles 4, 5, and 6 of title 25.5, C.R.S.
- (II) THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT IS HEREBY CREATED IN THE PEDIATRIC SPECIALTY HOSPITAL FUND CREATED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (e). THE PRINCIPAL OF THE ACCOUNT SHALL CONSIST OF MONEYS TRANSFERRED BY THE STATE TREASURER TO THE ACCOUNT IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (a) (X). THE PRINCIPAL OF THE ACCOUNT SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO OFFSET THE MEDICAID SHORTFALL EXPERIENCED BY THE REGIONAL PEDIATRIC TRAUMA CENTER AS DEFINED IN SECTION 25-3.5-703 (4) (f), C.R.S., BY AUGMENTING ITS HOSPITAL REIMBURSEMENT RATES; EXCEPT THAT, AT THE END OF THE 2007-08 FISCAL YEAR AND AT THE END OF EACH FISCAL YEAR THEREAFTER, ALL UNEXPENDED AND UNENCUMBERED PRINCIPAL OF THE ACCOUNT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b). INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE ACCOUNT SHALL BE CREDITED TO THE ACCOUNT AND SHALL REMAIN IN THE ACCOUNT UNTIL THE END OF THE FISCAL YEAR IN WHICH CREDITED, WHEN IT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b).
- **SECTION 4.** 24-50-609 (2) (b) (I), Colorado Revised Statutes, is amended, and the said 24-50-609 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:
- **24-50-609.** State contributions supplemental state contribution fund creation. (2) (b) (I) The total premium for each particular group benefit plan offered to state employees pursuant to this part 6 and for each tier of said plan shall be the same for all eligible employees. The amount of the state contribution for each tier shall be determined by the director in accordance with section 24-50-104 (4), and shall be the same for all eligible employees within the state personnel

system, AND SHALL BE SUPPLEMENTED IN ACCORDANCE WITH SUBSECTION (5) OF THIS SECTION. For purposes of this section, "tier" means the particular coverage options offered to eligible employees, including single employee, employee with one covered dependent, and employee with two or more covered dependents.

- (5) The supplemental state contribution fund is hereby created in the state treasury. The principal of the fund shall consist of tobacco litigation settlement moneys transferred by the state treasurer to the fund pursuant to section 24-75-1104.5 (1.5) (a) (VI), which, subject to annual appropriation by the general assembly, shall be used in its entirety in each fiscal year to supplement, by an equal amount for each employee, the monthly state contribution for each employee enrolled in a group benefit plan that includes enrollment in medical benefits. Interest and income earned on the deposit and investment of moneys in the fund shall be credited to the fund and shall remain in the fund until the end of the fiscal year in which credited, when it shall be transferred to the short-term innovative health program grant fund created in section 25-36-101 (2), C.R.S., in accordance with section 24-75-1104.5 (1.5) (b).
- **SECTION 5.** 24-75-1104.5 (1) (c) and (2), Colorado Revised Statutes, are amended, and the said 24-75-1104.5 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:
- **24-75-1104.5.** Use of settlement moneys programs. (1) For the 2004-05 fiscal year and for each fiscal year thereafter, the following programs, services, or funds shall receive the following specified amounts from the settlement moneys received by the state in the preceding fiscal year:
- (c) The children's basic health plan trust created in section 25.5-8-105, C.R.S., shall receive twenty-four percent of the total amount of settlement moneys annually received by the state, not to exceed thirty million dollars in any fiscal year, as provided in said section. If in any fiscal year the percentage of settlement moneys specified in this paragraph (c) does not equal at least seventeen million five hundred thousand dollars, the general assembly shall appropriate the amount of the shortfall out of the tobacco litigation settlement trust fund pursuant to section 24-22-115.5 (2) (a.7) (I) and, if necessary, FOR FISCAL YEARS PRIOR TO THE 2007-08 FISCAL YEAR, out of the amount of settlement moneys transferred to the general fund pursuant to section 24-22-115 (3) OR, FOR THE 2007-08 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER, AND PRIOR TO THEIR ALLOCATION, OUT OF THE AMOUNT OF SETTLEMENT MONEYS TO BE ALLOCATED AND TRANSFERRED PURSUANT TO SUBSECTION (1.5) OF THIS SECTION.
- (1.5) (a) For the 2007-08 fiscal year and for each fiscal year thereafter, the following programs, services, and funds shall receive the following specified amounts from the portion of the settlement moneys received by the state in the preceding fiscal year that remains after the programs, services, and funds receiving such moneys pursuant to subsection (1) of this section have been fully funded:
  - (I) THE UNIVERSITY OF COLORADO AT DENVER AND HEALTH SCIENCES CENTER

SHALL RECEIVE FORTY-NINE PERCENT OF THE SETTLEMENT MONEYS, WHICH SHALL BE TRANSFERRED BY THE STATE TREASURER TO THE TOBACCO LITIGATION SETTLEMENT MONEYS HEALTH EDUCATION FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY. INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND AND SHALL REMAIN IN THE FUND UNTIL THE END OF THE FISCAL YEAR IN WHICH CREDITED, WHEN IT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (1.5). THE PRINCIPAL OF THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE HEALTH SCIENCES CENTER; EXCEPT THAT, AT THE END OF THE 2007-08 FISCAL YEAR AND AT THE END OF EACH FISCAL YEAR THEREAFTER, ALL UNEXPENDED AND UNENCUMBERED PRINCIPAL OF THE FUND SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (1.5).

- (II) THE OFFENDER MENTAL HEALTH SERVICES FUND CREATED IN SECTION 27-1-204 (5.5), C.R.S., SHALL RECEIVE TWELVE PERCENT OF THE SETTLEMENT MONEYS, WHICH THE STATE TREASURER SHALL TRANSFER THERETO, FOR THE PURCHASE OF MENTAL HEALTH SERVICES FROM COMMUNITY MENTAL HEALTH CENTERS FOR JUVENILE AND ADULT OFFENDERS WHO HAVE MENTAL HEALTH PROBLEMS AND ARE INVOLVED IN THE CRIMINAL JUSTICE SYSTEM.
- (III) THE COLORADO INDIGENT CARE PROGRAM CREATED AND EXISTING PURSUANT TO PART 1 OF ARTICLE 3 OF TITLE 25.5, C.R.S., SHALL RECEIVE EIGHT AND ONE-HALF PERCENT OF THE SETTLEMENT MONEYS, WHICH SHALL BE TRANSFERRED BY THE STATE TREASURER TO THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF THE COMPREHENSIVE PRIMARY AND PREVENTATIVE GRANT FUND CREATED IN SECTION 25.5-3-207 (4), C.R.S., AND, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, ALLOCATED TO THE COLORADO INDIGENT CARE PROGRAM OF THE DEPARTMENT FOR DISTRIBUTION AS SPECIFIED IN SAID SECTION TO RURAL HOSPITALS OF SIXTY BEDS OR LESS AND ALL PUBLIC HOSPITALS, INCLUDING HOSPITALS THAT ACCESS FEDERAL FUNDS ONLY THROUGH CERTIFICATION OF PUBLIC EXPENDITURES, THAT PARTICIPATE IN THE PROGRAM TO PROVIDE HEALTH CARE TO INDIGENT PERSONS.
- (IV) The public health services per capita support fund created in section 25-1-516 (2), C.R.S., shall receive seven percent of the settlement moneys, which the state treasurer shall transfer thereto and which, subject to annual appropriation by the general assembly to the department of public health and environment, shall be used to provide additional per capita state support for basic and optional public health services, as defined by the state board of health, in accordance with section 25-1-516, C.R.S.
- (V) The supplemental tobacco litigation settlement moneys account of the children's basic health plan trust created in section 25.5-8-105, C.R.S., shall receive five percent of the settlement moneys, which the state treasurer shall transfer thereto.

Ch. 41

146

- (VI) The supplemental state contribution fund created in Section 24-50-609 (5) shall receive four and one-half percent of the Settlement moneys, which the state treasurer shall transfer thereto and which, subject to annual appropriation by the general assembly, shall be used to provide a supplement, in an equal amount for each covered employee, to the state contribution for state employee group benefit plans.
- (VII) THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF THE COLORADO IMMUNIZATION FUND, CREATED IN SECTION 25-4-2301, C.R.S., SHALL RECEIVE FOUR PERCENT OF THE SETTLEMENT MONEYS, WHICH THE STATE TREASURER SHALL TRANSFER THERETO, FOR THE PURPOSES SPECIFIED IN SAID SECTION.
- (VIII) THE DIVISION OF ALCOHOL AND DRUG ABUSE IN THE DEPARTMENT OF HUMAN SERVICES SHALL RECEIVE THREE PERCENT OF THE SETTLEMENT MONEYS. WHICH SHALL BE TRANSFERRED BY THE STATE TREASURER TO THE ALCOHOL AND DRUG ABUSE COMMUNITY PREVENTION AND TREATMENT FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY. INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND AND SHALL REMAIN IN THE FUND UNTIL THE END OF THE FISCAL YEAR IN WHICH CREDITED, WHEN IT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (1.5). THE PRINCIPAL OF THE FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO PROVIDE OR PURCHASE COMMUNITY PREVENTION AND TREATMENT SERVICES IN ACCORDANCE WITH SECTION 25-1-206, C.R.S.; EXCEPT THAT, AT THE END OF THE 2007-08 FISCAL YEAR AND AT THE END OF EACH FISCAL YEAR THEREAFTER, ALL UNEXPENDED AND UNENCUMBERED PRINCIPAL OF THE FUND SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (1.5).
- (IX) The short-term innovative health program grant fund created in section 25-36-101 (2), C.R.S., shall receive six percent of the settlement moneys, which the state treasurer shall transfer thereto, plus additional moneys as specified in section 24-22-115 (1) (b) and paragraph (b) of this subsection (1.5).
- (X) The supplemental tobacco litigation settlement moneys account of the pediatric specialty hospital fund created in section 24-22-117 (2) (e) shall receive one percent of the settlement moneys, which the state treasurer shall transfer thereto and which shall be used, subject to annual appropriation by the general assembly to the department of health care policy and financing, for the purpose of offsetting the medicaid shortfall for the regional pediatric trauma center as defined in section 25-3.5-703 (4) (f), C.R.S.
- (b) Except as otherwise provided in Section 25.5-3-207 (4) (a), C.R.S., at the end of the 2007-08 fiscal year and at the end of each fiscal year thereafter, any interest and income Earned on Moneys allocated for the fiscal year pursuant to paragraph (a) of this subsection (1.5), and any of

SUCH ALLOCATED MONEYS THAT ARE UNEXPENDED AND UNENCUMBERED, SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S.

- (c) SETTLEMENT MONEYS AND ANY INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF SETTLEMENT MONEYS ALLOCATED PURSUANT TO THIS SUBSECTION (1.5) SHALL SUPPLEMENT AND SHALL NOT SUPPLANT ANY OTHER STATE MONEYS APPROPRIATED OR OTHERWISE ALLOCATED FOR SIMILAR PROGRAMS OR PURPOSES.
- (2) The general assembly shall appropriate or the state treasurer shall transfer, as provided by law, the amounts specified in subsection (1) SUBSECTIONS (1) AND (1.5) of this section from moneys credited to the tobacco litigation settlement cash fund created in section 24-22-115. ALL MONEYS TRANSFERRED PURSUANT TO SUBSECTION (1.5) OF THIS SECTION SHALL BE CREDITED TO THE SPECIFIED FUNDS OR ACCOUNTS ON JULY 1 OF THE FISCAL YEAR FOR WHICH THEY ARE TRANSFERRED.

SECTION 6. 25-1-516, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

25-1-516. Allocation of moneys - public health services per capita support fund - created. (2) The public health services per capita support fund is HEREBY CREATED IN THE STATE TREASURY. THE PRINCIPAL OF THE FUND SHALL CONSIST OF TOBACCO LITIGATION SETTLEMENT MONEYS TRANSFERRED BY THE STATE TREASURER TO THE FUND PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IV), C.R.S., AND SHALL, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, BE ALLOCATED BY THE DEPARTMENT TO ALL LOCAL PUBLIC HEALTH SERVICES AND COUNTY BOARDS OF HEALTH CREATED PURSUANT TO PART 5 OR 6 OF THIS ARTICLE ON A PER CAPITA BASIS AS SPECIFIED IN SUBSECTION (1) OF THIS SECTION; EXCEPT THAT, AT THE END OF THE 2007-08 FISCAL YEAR AND AT THE END OF EACH FISCAL YEAR THEREAFTER, ALL UNEXPENDED AND UNENCUMBERED PRINCIPAL OF THE FUND SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2) IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b), C.R.S. Interest and income earned on the deposit and investment OF MONEYS IN THE PUBLIC HEALTH SERVICES PER CAPITA SUPPORT FUND SHALL BE CREDITED TO THE FUND AND SHALL REMAIN IN THE FUND UNTIL THE END OF THE FISCAL YEAR IN WHICH CREDITED, WHEN IT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2) IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b), C.R.S.

**SECTION 7.** Article 4 of title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

#### PART 23 COLORADO IMMUNIZATION FUND

25-4-2301. Colorado immunization fund - supplemental tobacco litigation settlement moneys account - creation. There are hereby created in the state TREASURY THE COLORADO IMMUNIZATION FUND AND AN ACCOUNT WITHIN THE FUND TO BE KNOWN AS THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT

MONEYS ACCOUNT. THE PRINCIPAL OF THE PORTION OF THE FUND THAT IS NOT THE ACCOUNT SHALL CONSIST OF GENERAL FUND APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY TO THE FUND AND GIFTS, GRANTS, OR AWARDS RECEIVED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT FROM THE FEDERAL GOVERNMENT OR PRIVATE SOURCES FOR THE FUND. THE PRINCIPAL OF THE ACCOUNT SHALL CONSIST OF TOBACCO LITIGATION SETTLEMENT MONEYS TRANSFERRED BY THE STATE TREASURER TO THE ACCOUNT IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (a) (VII), C.R.S. ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE PORTION OF THE FUND THAT IS NOT THE ACCOUNT SHALL BE CREDITED TO THAT PORTION OF THE FUND, AND ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE ACCOUNT SHALL BE CREDITED TO THE ACCOUNT AND REMAIN THEREIN UNTIL TRANSFERRED AS REQUIRED BY THIS SECTION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, AND SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE DEPARTMENT, THE DEPARTMENT SHALL EXPEND THE PRINCIPAL OF THE FUND AND THE ACCOUNT ONLY FOR THE PURPOSE OF IMMUNIZATION AND IMMUNIZATION STRATEGIES: EXCEPT THAT, AT THE END OF THE 2007-08 FISCAL YEAR AND AT THE END OF ANY FISCAL YEAR THEREAFTER, ANY UNEXPENDED AND UNENCUMBERED MONEYS IN THE PORTION OF THE FUND THAT IS NOT THE ACCOUNT SHALL REMAIN IN THAT PORTION OF THE FUND AND MAY BE USED BY THE DEPARTMENT THROUGH THE STATE IMMUNIZATION PROGRAM TO SUPPORT INFANT, CHILD, AND ADOLESCENT VACCINATION, AND ANY UNEXPENDED AND UNENCUMBERED MONEYS IN THE ACCOUNT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2) IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b), C.R.S.

**SECTION 8.** Title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

# ARTICLE 36 Short-term Grants for Innovative Health Programs

- 25-36-101. Short-term grants for innovative health programs grant fund creation. (1) The department of public health and environment, subject to annual appropriation by the general assembly, may make short-term grants of no more than one fiscal year in duration to fund innovative health programs designed to improve the health of Coloradans from the short-term innovative health program grant fund created in subsection (2) of this section. Grant applicants shall apply for grants using forms furnished by the department, and grant applications shall contain such information as the department may require. The department may promulgate rules in accordance with the requirements of article 4 of title 24, C.R.S., in order to establish grant application requirements and criteria for the awarding of grants.
- (2) The short-term innovative health program grant fund is hereby created in the state treasury. The principal of the fund shall include settlement moneys, as defined in section 24-75-1102 (2), C.R.S., transferred to the fund pursuant to sections 24-22-115 (1) (b) and 24-75-1104.5 (1.5) (a) (IX) and (1.5) (b), C.R.S., and any other moneys that the general assembly may appropriate or transfer to the fund. Interest

AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF FUND MONEYS SHALL REMAIN IN THE FUND AND SHALL NOT BE CREDITED TO THE GENERAL FUND OR TO ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

**SECTION 9.** 25.5-3-207, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

- 25.5-3-207. Program funding comprehensive primary and preventive care fund supplemental tobacco litigation settlement moneys account creation. (4) (a) The supplemental tobacco litigation settlement moneys account is hereby created in the fund. The principal of the account shall consist of tobacco litigation settlement moneys transferred by the state treasurer to the account in accordance with section 24-75-1104.5 (1.5) (a) (III), C.R.S. Interest and income earned on the deposit and investment of moneys in the account shall be credited to the account and shall not be transferred to any other account or fund. Subject to annual appropriation by the general assembly to the state department, moneys in the account shall be allocated by the state department through the program for each fiscal year to hospitals that participate in the program in order to provide health care to indigent persons as follows:
- (I) FIFTY PERCENT OF THE MONEYS ALLOCATED TO THE ACCOUNT FOR THE FISCAL YEAR SHALL BE DISTRIBUTED TO RURAL HOSPITALS OF SIXTY BEDS OR LESS; EXCEPT THAT ANY MONEYS THAT ARE NOT NEEDED FOR DISTRIBUTION DURING THE FISCAL YEAR SHALL INSTEAD BE DISTRIBUTED DURING THE NEXT FISCAL YEAR PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (a).
- (II) FIFTY PERCENT OF THE MONEYS ALLOCATED TO THE ACCOUNT FOR THE FISCAL YEAR, ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE ACCOUNT, AND ANY MONEYS ALLOCATED FOR DISTRIBUTION TO RURAL HOSPITALS OF SIXTY BEDS OR LESS FOR THE PRIOR FISCAL YEAR THAT ARE NOT NEEDED FOR DISTRIBUTION PURSUANT TO THIS PARAGRAPH (a) SHALL BE DISTRIBUTED TO ALL PUBLIC HOSPITALS, INCLUDING HOSPITALS THAT CURRENTLY ACCESS FEDERAL FUNDS ONLY THROUGH CERTIFICATION OF PUBLIC EXPENDITURES.
- (b) THE STATE DEPARTMENT SHALL PURSUE FEDERAL FINANCIAL PARTICIPATION FOR ALL MONEYS APPROPRIATED OR TRANSFERRED TO THE ACCOUNT. THE STATE DEPARTMENT MAY RECEIVE AND EXPEND ALL AVAILABLE FEDERAL MONEYS WITHOUT CORRESPONDING REDUCTION IN CASH FUNDS EXEMPT SPENDING AUTHORITY FROM THE FUND.

**SECTION 10.** 25.5-8-103 (4), Colorado Revised Statutes, is amended to read:

- **25.5-8-103. Definitions.** As used in this article, unless the context otherwise requires:
  - (4) "Eligible person" means:
- (a) A person who is less than nineteen years of age, whose family income does not exceed two hundred FIVE percent of the federal poverty level, adjusted for family size; or

Ch. 41

(b) A pregnant woman whose family income does not exceed two hundred FIVE percent of the federal poverty level, adjusted for family size, and who is not eligible for medicaid.

**SECTION 11.** 25.5-8-105 (1), (2), and (3), Colorado Revised Statutes, are amended to read:

## 25.5-8-105. Trust and supplemental settlement moneys account - created. (1) A fund to be known as the children's basic health plan trust is hereby created and established in the state treasury AND AN ACCOUNT TO BE KNOWN AS THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT IS HEREBY CREATED IN THE TRUST. Except as provided for in subsection (4) of this section, all moneys deposited in the PORTION OF THE trust THAT IS NOT THE ACCOUNT and all interest earned on moneys in the trust shall remain in the trust for the purposes set forth in this article, and no part thereof shall be expended or appropriated for any other purpose. The Principal of the account shall be expended, subject to ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, SOLELY FOR THE PURPOSES SET FORTH IN THIS ARTICLE; EXCEPT THAT, AT THE END OF THE 2007-08 FISCAL YEAR AND AT THE END OF EACH FISCAL YEAR THEREAFTER, ALL UNEXPENDED AND UNENCUMBERED PRINCIPAL OF THE ACCOUNT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b), C.R.S. INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE ACCOUNT SHALL BE CREDITED TO THE ACCOUNT AND SHALL REMAIN IN THE ACCOUNT UNTIL THE END OF THE FISCAL YEAR IN WHICH CREDITED, WHEN IT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b), C.R.S.

- (2) Except as provided for in subsection (4) of this section, all or a portion of the moneys in the PORTION OF THE trust THAT IS NOT THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT shall be annually appropriated by the general assembly for the purposes of this article and shall not be transferred to or revert to the general fund of the state at the end of any fiscal year.
- (3) (a) Pursuant to section 24-75-1104.5 (1) (c), C.R.S., beginning in the 2006-07 fiscal year and in each fiscal year thereafter so long as the state receives moneys pursuant to the master settlement agreement, the state treasurer shall transfer to the PORTION OF THE trust THAT IS NOT THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT twenty-four percent of the total amount of the moneys annually received by the state pursuant to the master settlement agreement, not including attorney fees and costs, during the preceding fiscal year; except that the amount so transferred to the trust shall not exceed thirty million dollars in any fiscal year. Except as otherwise provided in sections 24-22-115.5 (2) (a.7) and 24-75-1104.5 (1) (c), C.R.S., the state treasurer shall transfer the amount specified in this subsection (3) from moneys credited to the tobacco litigation settlement cash fund created in section 24-22-115, C.R.S. The amount transferred pursuant to this subsection (3) shall be in addition to and not in replacement of any general fund moneys appropriated to the trust.
- (b) Pursuant to Section 24-75-1104.5 (1.5) (a) (V), C.R.S., beginning in the 2007-08 fiscal year and each fiscal year thereafter so long as the state

RECEIVES MONEYS PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, THE STATE TREASURER SHALL TRANSFER TO THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF THE TRUST FIVE PERCENT OF THE PORTION OF THE MONEYS ANNUALLY RECEIVED BY THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT, NOT INCLUDING ATTORNEY FEES AND COSTS, DURING THE PRECEDING FISCAL YEAR THAT REMAINS AFTER THE PROGRAMS, SERVICES, AND FUNDS THAT RECEIVE SUCH MONEYS PURSUANT TO SECTION 24-75-1104.5 (1), C.R.S., HAVE BEEN FULLY FUNDED.

**SECTION 12.** 25.5-8-109 (5) (a) (I) and (5) (a) (II) (A), Colorado Revised Statutes, are amended to read:

**25.5-8-109.** Eligibility - children - pregnant women - repeal. (5) (a) (I) A pregnant woman whose family income exceeds one hundred thirty-three percent of the federal poverty level but does not exceed two hundred FIVE percent of the federal poverty level shall be presumptively eligible for the plan. Once determined eligible for the plan, a pregnant woman shall be considered to be continuously eligible throughout the pregnancy and for the sixty days following the pregnancy, even if the woman's eligibility would otherwise terminate during such period due to an increase in income. Upon birth, a child born to a woman eligible for the plan shall be eligible for the plan and shall be automatically enrolled in the plan in accordance with the eligibility requirements for children specified in subsection (4) of this section.

(II) (A) Until the department receives federal approval to increase eligibility in the children's basic health plan for a pregnant woman whose family income exceeds one hundred eighty-five percent but does not exceed two hundred FIVE percent of the federal poverty level, a pregnant woman within this income range shall be considered enrolled in the plan throughout the woman's pregnancy and for the sixty days following the pregnancy. A pregnant woman considered enrolled in the plan pursuant to this subparagraph (II) shall not be eligible for the plan until the state department receives federal approval to increase eligibility in the plan for pregnant women. The state department shall provide a set of services equivalent to those provided under the plan to pregnant women considered enrolled in, but not eligible for, the plan pursuant to this subparagraph (II).

**SECTION 13.** 27-1-204, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

27-1-204. Types of services purchased - limitation on payments - offender mental health services fund. (5.5) The offender mental health services fund is hereby created in the state treasury. The principal of the fund shall consist of tobacco litigation settlement moneys transferred by the state treasurer to the fund in accordance with section 24-75-1104.5 (1.5) (a) (II), C.R.S., for the purchase of mental health services for juvenile and adult offenders who have mental health problems and are involved in the criminal justice system. The division of mental health in the department of human services, subject to annual appropriation by the general assembly, shall distribute the principal of the fund to the community mental health centers; except that, at the end of the 2007-08 fiscal year and at the end of each fiscal year thereafter, all unexpended

AND UNENCUMBERED PRINCIPAL OF THE FUND SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101 (2), C.R.S., IN ACCORDANCE WITH SECTION 24-75-1104.5 (1.5) (b), C.R.S. INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE OFFENDER MENTAL HEALTH SERVICES FUND SHALL BE CREDITED TO THE FUND AND SHALL REMAIN IN THE FUND UNTIL THE END OF THE FISCAL YEAR IN WHICH CREDITED, WHEN IT SHALL BE TRANSFERRED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND.

- **SECTION 14. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the tobacco litigation settlement moneys health education fund created in section 24-75-1104.5 (1.5) (a) (I), Colorado Revised Statutes, not otherwise appropriated, to the department of higher education, regents of the university of Colorado, for allocation to the health sciences center, for the fiscal year beginning July 1, 2007, the sum of eleven million three hundred thousand dollars (\$11,300,000), cash funds exempt, or so much thereof as may be necessary, for the implementation of this act.
- (2) (a) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the supplemental tobacco litigation settlement moneys account within the comprehensive primary and preventive care fund created in section 25.5-3-207 (4) (a), Colorado Revised Statutes, not otherwise appropriated, to the department of health care policy and financing, indigent care program, for the comprehensive primary and preventive care grants program, for the fiscal year beginning July 1, 2007, the sum of two million dollars (\$2,000,000), cash funds exempt, or so much thereof as may be necessary, for the implementation of this act.
- (b) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the supplemental tobacco litigation settlement moneys account within the pediatric speciality hospital fund created in section 24-22-117 (2) (e), Colorado Revised Statutes, not otherwise appropriated, to the department of health care policy and financing, indigent care program, for the pediatric speciality hospital, for the fiscal year beginning July 1, 2007, the sum of two hundred thousand dollars (\$200,000), cash funds exempt, or so much thereof as may be necessary.
- (c) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, executive director's office, for the medicaid management information system contract, for the fiscal year beginning July 1, 2007, the sum of ninety-one thousand nine hundred eighty dollars (\$91,980). Of said sum, thirty-two thousand one hundred ninety-three dollars (\$32,193) shall be cash funds exempt from the supplemental tobacco litigation settlement moneys account within the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, and fifty-nine thousand seven hundred eighty-seven dollars (\$59,787) shall be from federal funds.
- (d) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, indigent care program, for children's basic health plan administration costs, for the fiscal year beginning July 1, 2007, the sum of two thousand dollars (\$2,000). Of said sum, seven hundred sixty-eight dollars (\$768) shall be cash funds exempt from the supplemental tobacco litigation settlement moneys account within the children's basic health plan trust created in

section 25.5-8-105 (1), Colorado Revised Statutes, and one thousand two hundred thirty-two dollars (\$1,232) shall be from federal funds.

- (e) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, indigent care program, for children's basic health plan premiums costs, for the fiscal year beginning July 1, 2007, the sum of seventy-six thousand eight hundred eleven dollars (\$76,811). Of said sum, one thousand four hundred seventy-nine dollars (\$1,479) shall be cash funds from the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, twenty-six thousand three hundred sixty-six dollars (\$26,366) shall be cash funds exempt from the supplemental tobacco litigation settlement moneys account within the children's basic health plan trust created in section 25.5-8-105 (1) Colorado Revised Statutes, and forty-eight thousand nine-hundred sixty-six dollars (\$48,966) shall be from federal funds.
- (f) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, indigent care program, for children's basic health dental costs, for the fiscal year beginning July 1, 2007, the sum of four thousand eight hundred six dollars (\$4,806). Of said sum, one thousand six hundred eighty-two dollars (\$1,682) shall be cash funds exempt from the supplemental tobacco litigation settlement moneys account within the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, and three thousand one hundred twenty-four dollars (\$3,124) shall be from federal funds.
- (g) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, department of human services medicaid-funded programs, office of information technology services-medicaid funding, for the Colorado benefits management system, for the fiscal year beginning July 1, 2007, the sum of six thousand two hundred forty eight dollars (\$6,248). Of said sum, two hundred sixty-seven dollars (\$267) shall be cash funds exempt from the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, three thousand eight hundred seventy-six dollars (\$3,876) shall be cash funds exempt from the supplemental tobacco litigation settlement moneys account within the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, and two thousand one hundred five dollars (\$2,105) shall be from federal funds.
- (3) (a) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the offender mental health services fund created in section 27-1-204 (5.5), Colorado Revised Statutes, not otherwise appropriated, to the department of human services, mental health and alcohol and drug abuse services, mental health community programs, mental health services for the medically indigent, for mental health services for juvenile and adult offenders, for the fiscal year beginning July 1, 2007, the sum of two million eight hundred thousand dollars (\$2,800,000), cash funds exempt, and 0.8 FTE, or so much thereof as may be necessary.
- (b) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the alcohol and drug abuse community prevention and treatment fund created in section 24-75-1104.5 (1.5) (a) (VIII), Colorado Revised Statutes, not otherwise appropriated, to the department of human services, mental health and alcohol and drug abuse services, alcohol and drug abuse division, community

programs, for treatment and detoxification contracts and for prevention contracts, for the fiscal year beginning July 1, 2007, the sum of seven hundred thousand dollars (\$700,000), cash funds exempt, or so much thereof as may be necessary.

- (c) In addition to any other appropriation, there is hereby appropriated, to the department of human services, office of information technology services, for the Colorado benefits management system, for the fiscal year beginning July 1, 2007, the sum of eighteen thousand dollars (\$18,000). Of said sum, two thousand eight hundred twenty-five dollars (\$2,825) shall be cash funds exempt from the supplemental tobacco litigation settlement moneys account within the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, one thousand four hundred forty-five dollars (\$1,445) shall be cash funds from the old age pension fund created pursuant to article XXIV of the state constitution, six thousand two hundred forty eight (\$6,248) shall be transferred from the department of health care policy and financing, and seven thousand four hundred eighty two dollars (\$7,482) shall be from federal funds.
- (d) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the tobacco litigation settlement cash fund created in section 24-22-115 (1), Colorado Revised Statutes, not otherwise appropriated, to the department of health care policy and financing, for allocation to the children's basic health plan trust created in section 25.5-8-105 (1), Colorado Revised Statutes, for the fiscal year beginning July 1, 2007, the sum of one million three hundred thousand dollars (\$1,300,000), cash funds exempt.
- (4) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the supplemental state contribution fund created in section 24-50-609 (5), Colorado Revised Statutes, not otherwise appropriated, to the department of personnel and administration, division of human resources, for supplementing the monthly state contribution for each employee enrolled in a group benefit plan that includes enrollment in medical benefits, for the fiscal year beginning July 1, 2007, the sum of one million dollars (\$1,000,000), cash funds exempt, or so much thereof as may be necessary.
- (5) (a) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the public health services per capita support fund created in section 25-1-516 (2), Colorado Revised Statutes, not otherwise appropriated, to the department of public health and environment, local health services, for local, district and regional health department distributions pursuant to section 25-1-516, C.R.S., for the fiscal year beginning July 1, 2007, the sum of one million six hundred thousand dollars (\$1,600,000), cash funds exempt, or so much thereof as may be necessary, for the implementation of this act.
- (b) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the supplemental tobacco litigation settlement moneys account within the Colorado immunization fund created in section 25-4-2305, Colorado Revised Statutes, not otherwise appropriated, to the department of public health and environment, disease control and environmental epidemiology division, for the fiscal year beginning July 1, 2007, the sum of nine hundred thousand dollars (\$900,000), cash funds exempt, or so much thereof as may be necessary, for the implementation of this act.

(c) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the short-term innovative health program grant fund created in section 25-36-101 (2), Colorado Revised Statutes, not otherwise appropriated, to the department of public health and environment, for the fiscal year beginning July 1, 2007, the sum of one million four hundred thousand dollars (\$1,400,000), cash funds exempt, and 1.0 FTE, or so much thereof as may be necessary, for the implementation of this act.

**SECTION 15. 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: March 22, 2007