

## CHAPTER 48

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**HEALTH CARE POLICY AND FINANCING**

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**HOUSE BILL 10-1321**

BY REPRESENTATIVE(S) Pommer, Ferrandino, Lambert;  
also SENATOR(S) Tapia, Keller, White.

**AN ACT****CONCERNING MONEYS APPROPRIATED FOR HEALTH CLINICS.**

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

**SECTION 1.** 25.5-3-112 (1) (b), Colorado Revised Statutes, is amended, and the said 25.5-3-112 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

**25.5-3-112. Health care services fund - creation - state plan amendment.**

(1) (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. Of the moneys in the general fund exempt account created in section 24-77-103.6 (2), C.R.S., the following amounts shall be appropriated by the general assembly to the fund:

(I) In fiscal year 2007-08, fifteen million dollars; AND

(II) In fiscal year 2008-09, twelve million nine hundred eighteen thousand seven hundred fifty dollars. ~~and~~

(III) ~~In fiscal year 2009-10, eleven million nine hundred forty-three thousand dollars.~~

(b.5) IN FISCAL YEAR 2009-10, THE GENERAL ASSEMBLY SHALL APPROPRIATE TEN MILLION THREE HUNDRED NINETY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND.

**SECTION 2.** The introductory portion to 25.5-3-112 (2) and 25.5-3-112 (2) (b)

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

(III), Colorado Revised Statutes, are amended, and the said 25.5-3-112 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

**25.5-3-112. Health care services fund - creation - state plan amendment - primary care special distribution fund - repeal.** (2) In fiscal year 2006-07, and each of the ~~three~~ two fiscal years thereafter, notwithstanding the requirements of section 25.5-3-108 (8) (b), the moneys deposited into the fund shall be appropriated as follows:

(b) (III) For fiscal ~~year~~ YEARS 2007-08 and ~~each of the two fiscal years thereafter~~ 2008-09, 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 state board.

(2.5) IN FISCAL YEAR 2009-10, NOTWITHSTANDING THE REQUIREMENTS OF SECTION 25.5-3-108 (8) (b), THE MONEYS DEPOSITED INTO THE FUND SHALL BE APPROPRIATED AS FOLLOWS:

(a) TWENTY PERCENT OF THE MONEYS SHALL BE APPROPRIATED TO THE STATE DEPARTMENT FOR DISTRIBUTION TO DENVER HEALTH AND HOSPITALS AS THE COMMUNITY HEALTH CLINIC PROVIDER FOR THE CITY AND COUNTY OF DENVER;

(b) EIGHTY PERCENT OF THE MONEYS SHALL BE APPROPRIATED TO THE STATE DEPARTMENT FOR DISTRIBUTION TO COMMUNITY HEALTH CLINICS BASED UPON PRIOR UTILIZATIONS AS DETERMINED BY THE STATE DEPARTMENT TO MITIGATE REDUCTIONS THE CLINICS EXPERIENCE DUE TO REDUCTIONS IN MONEYS AVAILABLE FROM THE PRIMARY CARE FUND CREATED PURSUANT TO SECTION 24-22-117 (2) (b), C.R.S.

(4) (a) DUE TO REDUCTIONS IN MONEYS AVAILABLE FROM THE PRIMARY CARE FUND ESTABLISHED PURSUANT TO SECTION 24-22-117 (2) (b), C.R.S., CERTAIN CLINICS WILL EXPERIENCE GREATER REDUCTIONS IN FUNDING THAN OTHER CLINICS. IN AN EFFORT TO MINIMIZE THE ADVERSE EFFECTS ON THESE CLINICS, THE PRIMARY CARE SPECIAL DISTRIBUTION FUND IS HEREBY CREATED IN THE STATE TREASURY AND REFERRED TO IN THIS SUBSECTION (4) AS THE "SPECIAL DISTRIBUTION FUND". THE SPECIAL DISTRIBUTION FUND SHALL CONSIST OF MONEYS APPROPRIATED TO THE SPECIAL DISTRIBUTION FUND PURSUANT TO SECTION 24-22-117 (2) (b) (III) (A), C.R.S. MONEYS IN THE SPECIAL DISTRIBUTION FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE STATE DEPARTMENT FOR DISTRIBUTION PURSUANT TO PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (4). ANY MONEYS IN THE SPECIAL DISTRIBUTION FUND NOT EXPENDED FOR THE PURPOSE OF THIS SUBSECTION (4) MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE SPECIAL DISTRIBUTION FUND SHALL BE CREDITED TO THE SPECIAL DISTRIBUTION FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE SPECIAL DISTRIBUTION FUND AT THE END OF A FISCAL YEAR SHALL BE CREDITED TO THE GENERAL FUND.

(b) OF THE MONEYS APPROPRIATED TO THE SPECIAL DISTRIBUTION FUND, THE STATE DEPARTMENT SHALL DISTRIBUTE ONE MILLION SIX HUNDRED THOUSAND

DOLLARS TO HEALTH CLINICS THAT QUALIFY FOR PAYMENTS FROM THE PRIMARY CARE FUND BUT DO NOT PARTICIPATE IN THE COLORADO INDIGENT CARE PROGRAM ESTABLISHED PURSUANT TO THIS PART 1. THE STATE DEPARTMENT SHALL DEVELOP A DISTRIBUTION FORMULA THAT EQUALIZES, TO THE EXTENT POSSIBLE, THE REDUCTIONS EXPERIENCED BY THE CLINICS THAT MEET THE REQUIREMENTS OF THIS PARAGRAPH (b).

(c) OF THE MONEYS APPROPRIATED TO THE SPECIAL DISTRIBUTION FUND, THE STATE DEPARTMENT SHALL DISTRIBUTE FOUR HUNDRED FIVE THOUSAND DOLLARS TO HEALTH CLINICS THAT PARTICIPATE IN THE COLORADO INDIGENT CARE PROGRAM ESTABLISHED PURSUANT TO THIS PART 1 AND THAT EXPERIENCE REDUCTIONS IN FUNDING DUE TO TRANSFERS FROM THE PRIMARY CARE FUND PURSUANT TO HOUSE BILL 10-1321, ENACTED IN 2010, WHICH REDUCTIONS ARE NOT OFFSET BY INCREASED APPROPRIATIONS PURSUANT TO PARAGRAPH (b) OF SUBSECTION (2.5) OF THIS SECTION. THE STATE DEPARTMENT SHALL DEVELOP A DISTRIBUTION FORMULA THAT EQUALIZES, TO THE EXTENT POSSIBLE, THE REDUCTIONS EXPERIENCED BY THE CLINICS THAT MEET THE REQUIREMENTS OF THIS PARAGRAPH (c).

(d) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2011.

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

**24-22-117. Tobacco tax cash fund - accounts - creation - legislative declaration - repeal.** (2) There are hereby created in the state treasury the following funds:

(b) (III) (A) Notwithstanding the provisions of subparagraph (II) of this paragraph (b), and pursuant to the declaration of a state fiscal emergency as described in paragraph (b) of subsection (6) of this section, for the 2009-10 fiscal year, up to ~~fifteen~~ SEVENTEEN million SEVEN HUNDRED NINETY THOUSAND dollars of the moneys in the primary care fund may be appropriated for any health-related purpose and to serve populations enrolled in the children's basic health plan and the Colorado medical assistance program at the programs' respective levels of enrollment as of January 1, 2005. ADDITIONALLY, FOR THE 2009-10 FISCAL YEAR, TWO MILLION FIVE THOUSAND DOLLARS SHALL BE TRANSFERRED FROM THE PRIMARY CARE FUND TO THE PRIMARY CARE SPECIAL DISTRIBUTION FUND, CREATED IN TO SECTION 25.5-3-112 (4) (a), C.R.S.

**SECTION 4.** Part V (2), (4), and the affected totals of section 2 of chapter 464, Session Laws of Colorado 2009, are amended to read:

Section 2. **Appropriation.**

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

**PART V**  
**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

**(2) MEDICAL SERVICES PREMIUMS\***

Services for 38,279 Supplemental Security Income Adults 65 and Older (SSI 65+) at an average cost of \$21,808.23	834,605,726
Services for 6,614 Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60 - 64) at an average cost of \$17,962.63	118,804,809

Services for 16,329 Qualified Medicare Beneficiaries (QMBs) and Special Low-Income Medicare Beneficiaries (SLIMBs) at an average cost of \$1,287.54	21,024,234
Services for 52,254 Supplemental Security Income Disabled Individuals at an average cost of \$14,531.24	759,315,244
Services for 57,097 Categorically Eligible Low-income Adults at an average cost of \$4,089.14	233,477,584
Services for 7,391 Baby Care Program Adults at an average cost of \$8,826.48	65,236,532
Services for 321 Breast and Cervical Cancer Treatment Clients at an average cost of \$22,417.91	7,196,149

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
Services for 16,015 Expansion Health Care Low-Income Adult Clients at an average cost of \$2,541.80	40,706,967					
Services for 259,414 Eligible Children at an average cost of \$1,702.47	441,663,841					
Services for 18,663 Foster Children at an average cost of \$3,728.57	69,586,371					
Services for 4,255 Non-Citizens at an average cost of \$15,118.48	<u>64,329,153</u>					
	2,655,946,610	<del>1,191,399,790(M)</del> 1,181,009,790(M)		<del>130,451,629*</del> 140,841,629 <sup>a</sup>	2,746,329 <sup>b</sup>	1,331,348,862

<sup>a</sup> Of this amount, \$84,016,715(H) shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S., \$22,418,342 (H) shall be from the Nursing Facility Cash Fund created in Section 25.5-6-203 (2) (a), C.R.S., \$22,107,094 represents public funds certified as expenditures incurred by public hospitals and agencies that are eligible for federal financial participation under the Medicaid program, \$10,390,000 SHALL BE FROM THE PRIMARY CARE GRANT FUND CREATED IN SECTION 24-22-117 (2) (b) (I), \$874,603 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in section 25.5-5-308 (8) (a), C.R.S., \$784,875 (H) shall be from the Colorado Autism Treatment Fund created in Section 25.5-6-805, C.R.S., and \$250,000 (H) shall be from the Coordinated Care for People with Disabilities Fund created in Section 25.5-6-111 (4), C.R.S.

<sup>b</sup> Of this amount, \$2,000,000 shall be transferred from the Department of Public Health and Environment pursuant to Section 24-22-117 (2) (d) (IV.5), C.R.S., and \$746,329 shall be transferred from the Department of Public Health and Environment pursuant to Section 24-22-117 (2) (d) (II) (D), C.R.S.

**(4) INDIGENT CARE PROGRAM**

Safety Net Provider					
Payments	310,715,422	13,090,782(M)	142,266,929 <sup>a</sup>		155,357,711
Colorado Health Care Services Fund	<del>15,000,000</del>	<del>15,000,000</del>			
	13,447,000	13,447,000			
The Children's Hospital, Clinic Based Indigent Care	<del>27,767,760</del>	3,059,880(M)		<del>10,824,000<sup>b</sup></del>	<del>13,883,880</del>
	27,759,958			10,517,931 <sup>b</sup>	14,182,147
Health Care Services Fund Programs	<del>8,352,000</del>			<del>4,176,000<sup>b</sup></del>	<del>4,176,000</del>
	5,410,049			2,929,069 <sup>b</sup>	2,480,980
Pediatric Speciality Hospital	15,032,712	6,656,997(M)	355,359 <sup>c</sup>	504,000 <sup>d</sup>	7,516,356
H.B. 05-1262 Appropriation from General Fund to Pediatric Speciality Hospital Fund	504,000				
		504,000 <sup>e</sup>			

	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM			
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS
	\$	\$	\$	\$	\$	\$
H.B. 05-1262						
Appropriation from						
Tobacco Tax Cash Fund						
to the General Fund	504,000				504,000 <sup>f</sup>	
Primary Care Fund						
Program	<del>31,920,000</del>				<del>31,920,000<sup>e</sup></del>	
	19,525,000				19,525,000 <sup>e</sup>	
SPECIAL DISTRIBUTION						
FROM PRIMARY CARE						
FUND	2,005,000				2,005,000 <sup>e</sup>	
H.B. 97-1304 Children's						
Basic Health Plan Trust	2,500,000		2,500,000			
Children's Basic Health						
Plan Administration	5,537,590			2,473,301 <sup>h</sup>		3,064,289
Children's Basic Health						
Plan Premium Costs <sup>11</sup>	145,664,212			48,696,353 <sup>i</sup>	2,500,000 <sup>j</sup>	94,467,859
Children's Basic Health						
Plan Dental Benefit						
Costs <sup>12</sup>	10,948,462			3,831,962 <sup>k</sup>		7,116,500

Comprehensive Primary and Preventive Care Grants	866,075	866,075 <sup>1</sup>	
Comprehensive Primary and Preventive Care Rural and Public Hospital Grant Program	<u>6,041,096</u>	3,020,548 <sup>1</sup>	3,020,548
	<del>581,353,329</del>		
	566,460,576		

<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 upper payment limit and the Medicaid Disproportionate Share Payments to Hospitals program.

<sup>b</sup> These amounts shall be from the Health Care Services Fund created in Section 25.5-3-112 (1) (a), C.R.S.

<sup>c</sup> This amount shall be from the Supplemental Tobacco Litigation Settlement Moneys Account in the Pediatric Specialty Hospital Fund created in Section 24-22-117 (2) (e) (II), C.R.S.

<sup>d</sup> This amount shall be from the Pediatric Specialty Hospital Fund created in Section 24-22-117 (2) (e), C.R.S.

<sup>e</sup> This amount is not subject to the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution. This amount is also not subject to the statutory limitation on General Fund appropriation growth or any other spending limitation existing in law pursuant to Article X, Section 21 (8) of the State Constitution.

<sup>f</sup> This amount shall be from the Tobacco Tax Cash Fund created in Section 24-22-117 (1) (a), C.R.S. This appropriation partially meets the requirement to appropriate a portion of the revenues collected from imposition of additional state cigarette and tobacco taxes to the General Fund pursuant to Section 21 of Article X of the State Constitution.

<sup>g</sup> This amount shall be from the Primary Care Fund created in Section 24-22-117 (2) (b) (I), C.R.S.

<sup>h</sup> Of this amount, \$1,933,301 shall be from the Children's Basic Health Plan Trust created in Section 25.5-8-105 (1), C.R.S., and \$540,000 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S.

<sup>i</sup> Of this amount, \$25,296,193 shall be from the Children's Basic Health Plan Trust created in Section 25.5-8-105 (1), C.R.S., \$21,177,045 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S., \$1,761,388 shall be from the Children's Basic Health Plan Trust and Supplemental Tobacco Litigation Settlement Moneys Account created in Section 25.5-8-105 (1), C.R.S., and \$461,727 shall be from the Colorado Immunization Fund created in Section 25-4-2301, C.R.S.

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

<sup>1</sup> This amount is General Fund that is appropriated into the Children's Basic Health Plan Trust created in Section 25.5-8-105 (1), C.R.S.

<sup>2</sup> Of this amount, \$2,525,196 shall be from the Children's Basic Health Plan Trust created in Section 25.5-8-105 (1), C.R.S. and \$1,306,766 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S.

<sup>3</sup> This amount shall be from the Comprehensive Primary and Preventive Care Fund created in Section 25.5-3-207 (1), C.R.S.

**TOTALS PART V**

**(HEALTH CARE**

**POLICY AND**

**FINANCING)**

\$4,136,596,755	\$1,675,723,755	\$504,000 <sup>a</sup>	\$407,639,249	<del>\$28,706,139</del>	<del>\$2,024,023,612</del>
<u>\$4,121,704,002</u>	<u>\$1,663,780,755</u>			<u>\$27,153,139</u>	<u>\$2,022,626,859</u>

<sup>a</sup> This amount shall be General Fund Exempt pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S. This amount is also not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**SECTION 5. 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 29, 2010