

## CHAPTER 188

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**HEALTH CARE POLICY AND FINANCING**


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**SENATE BILL 11-219**

BY SENATOR(S) Hodge, Steadman, Lambert;  
also REPRESENTATIVE(S) Ferrandino, Becker, Gerou, Hamner, Labuda, Peniston, Stephens, Todd, McNulty.

**AN ACT**

**CONCERNING MONEYS APPROPRIATED IN THE 2011-12 FISCAL YEAR FOR HEALTH CLINICS, AND MAKING AN APPROPRIATION THEREFOR.**

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

**SECTION 1.** 24-22-117 (2) (b), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH 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) (V) (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 (d) OF SUBSECTION (6) OF THIS SECTION, FOR THE 2011-12 FISCAL YEAR, ELEVEN MILLION SEVEN HUNDRED FIFTY-FIVE THOUSAND DOLLARS OF THE MONEYS IN THE PRIMARY CARE FUND SHALL BE TRANSFERRED TO THE COLORADO HEALTH CARE SERVICES FUND CREATED PURSUANT TO SECTION 25.5-3-112 (1) (a), C.R.S., AND UP TO FIFTEEN MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND SIX HUNDRED SEVENTY DOLLARS 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 2011-12 FISCAL YEAR, TWO MILLION ONE HUNDRED THIRTY-FIVE THOUSAND EIGHT HUNDRED THIRTY DOLLARS SHALL BE TRANSFERRED FROM THE PRIMARY CARE FUND TO THE PRIMARY CARE SPECIAL DISTRIBUTION FUND, CREATED IN SECTION 25.5-3-112 (4) (a), C.R.S.

(B) THIS SUBPARAGRAPH (V) IS REPEALED, EFFECTIVE JULY 1, 2013.

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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.*

**SECTION 2.** 24-22-117 (6), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**24-22-117. Tobacco tax cash fund - accounts - creation - legislative declaration - repeal.** (6) (d) (I) THE GENERAL ASSEMBLY, PURSUANT TO SECTION 21 (7) OF ARTICLE X OF THE STATE CONSTITUTION AND SENATE JOINT RESOLUTION 11-009, WHICH WAS APPROVED BY A TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF THE GENERAL ASSEMBLY AND SIGNED BY THE GOVERNOR, DECLARES A STATE FISCAL EMERGENCY FOR THE 2011-12 FISCAL YEAR.

(II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE JULY 1, 2013.

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

**25.5-3-112. Health care services fund - creation - state plan amendment - primary care special distribution fund - repeal.** (1) (b.6) IN FISCAL YEAR 2011-12, THE TREASURER SHALL TRANSFER ONE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

**SECTION 4.** 25.5-3-112, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**25.5-3-112. Health care services fund - creation - state plan amendment - primary care special distribution fund - repeal.** (2.8) IN 2011-12 FISCAL YEAR, NOTWITHSTANDING THE REQUIREMENTS OF SECTION 25.5-3-108 (8) (b), THE MONEYS DEPOSITED INTO THE FUND SHALL BE APPROPRIATED TO THE STATE DEPARTMENT FOR DISTRIBUTION TO DENVER HEALTH AND HOSPITALS, AS THE COMMUNITY HEALTH CLINIC FOR THE CITY AND COUNTY OF DENVER, TO COMMUNITY HEALTH CLINICS, AND TO FEDERALLY QUALIFIED HEALTH CENTERS. THE STATE DEPARTMENT SHALL DEVELOP A DISTRIBUTION FORMULA SPECIFYING THE DISTRIBUTIONS BASED UPON PRIOR UTILIZATIONS AND, TO THE EXTENT POSSIBLE, MITIGATION OF THE REDUCTIONS IN FUNDING THAT THE CLINICS EXPERIENCE DUE TO REDUCTIONS IN MONEYS AVAILABLE FROM THE PRIMARY CARE FUND ESTABLISHED PURSUANT TO SECTION 24-22-117 (2) (b), C.R.S.

**SECTION 5.** 25.5-3-112 (4), Colorado Revised Statutes, is amended to read:

**25.5-3-112. Health care services fund - creation - state plan amendment - primary care special distribution fund - repeal.** (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), ~~and~~ (2) (b) (IV) (A), AND (2) (b) (V) (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), AND (c.5) 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) (I) Of the moneys appropriated to the special distribution fund, the state department shall distribute the following amounts 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:

(A) For the 2009-10 fiscal year, one million six hundred thousand dollars; and

(B) For the 2010-11 fiscal year, three million dollars.

(II) 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) (I) Of the moneys appropriated to the special distribution fund, the state department shall distribute the following amounts 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, and House Bill 10-1378, enacted in 2010, which reductions are not offset by increased appropriations pursuant to paragraph (b) of subsection (2.5) of this section:

(A) For the 2009-10 fiscal year, four hundred five thousand dollars; and

(B) For the 2010-11 fiscal year, five hundred sixty thousand dollars.

(II) 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).

(c.5) FOR THE 2011-12 FISCAL YEAR, OF THE MONEYS APPROPRIATED TO THE SPECIAL DISTRIBUTION FUND IN THE 2011-12 FISCAL YEAR, THE STATE DEPARTMENT SHALL DISTRIBUTE TWO MILLION ONE HUNDRED THIRTY-FIVE THOUSAND EIGHT HUNDRED THIRTY 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 AND 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 SENATE BILL 11-219, ENACTED IN 2011, WHICH REDUCTIONS ARE NOT OFFSET BY INCREASED APPROPRIATIONS PURSUANT TO SUBSECTION (2.8) OF THIS SECTION. THE STATE DEPARTMENT SHALL DEVELOP A DISTRIBUTION FORMULA OF SUCH MONEYS THAT MINIMIZES THE ADVERSE EFFECTS TO CLINICS CAUSED BY THE REDUCTION IN MONEYS AVAILABLE FROM THE PRIMARY CARE FUND ESTABLISHED PURSUANT TO SECTION 24-22-117 (2) (b), C.R.S.

(d) This subsection (4) is repealed, effective July 1, 2012.

**SECTION 6. Appropriation - adjustments in 2011 long bill.** 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, 2011, shall be adjusted as follows:

(1) The cash funds appropriation for medical services premiums is increased by fifteen million seven hundred seventy-five thousand six hundred seventy dollars (\$15,775,670). Said sum shall be from the primary care fund created in section 24-22-117 (2) (b) (I), Colorado Revised Statutes.

(2) The general fund appropriation for medical services premiums is decreased by fifteen million seven hundred seventy-five thousand six hundred seventy dollars (\$15,775,670).

(3) The cash funds appropriation to the primary care fund program is decreased by twenty-eight million two hundred fifty-three thousand dollars (\$28,253,000). Said sum shall be from the primary care fund created in section 24-22-117 (2) (b) (I), Colorado Revised Statutes.

**SECTION 7. Appropriation.** In addition to any other appropriation, there is hereby appropriated, for the implementation of this act, to the department of health care policy and financing, for the fiscal year beginning July 1, 2011, the following or so much thereof as may be necessary:

(1) Twenty-three million five hundred ten thousand dollars (\$23,510,000) for allocation to the health care services fund for community primary care providers pursuant to section 25.5-3-112 (2.8), Colorado Revised Statutes. Of said sum, eleven million seven hundred fifty-five thousand dollars (\$11,755,000) shall be cash funds from the Colorado health care services fund created in section 25.5-3-112 (1), Colorado Revised Statutes, and eleven million seven hundred fifty-five thousand dollars (\$11,755,000) shall be from federal funds.

(2) Two million one hundred thirty-five thousand eight hundred thirty dollars (\$2,135,830) from the primary care special distribution fund created in section 25.5-3-112 (4) (a), Colorado Revised Statutes, for allocation to primary care providers pursuant to section 25.5-3-112 (4) (c.5), Colorado Revised Statutes.

**SECTION 8. Effective date.** This act shall take effect only if Senate Joint Resolution 11-009 is approved by a two-thirds majority vote of the members of both houses of the general assembly and is signed by the governor. This act shall take effect either upon passage or upon the date Senate Joint Resolution 11-009 is signed by the governor, whichever is later.

**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: May 19, 2011