



SB24-121 Fact Sheet:
Improving Colorado
Critical Access Hospitals Licensure Process
By Senator Rod Pelton, Senator Dylan Roberts,
Representative Mary Young, and Representative Richard Holtorf

Summary

Colorado rural and Critical Access Hospitals (CAH) experience unique challenges compared to more well-funded urban hospitals. One of the challenges involves an antiquated licensure regulation that costs rural and critical access hospitals hundreds of thousands of dollars during rural hospital construction and expansion. SB24-121 will resolve this important regulatory dilemma and save CAH's valuable resources.

Obstacle

Currently, when a CAH submits a building and licensure application to the Colorado Department of Public Health and Environment (CDPHE) to construct a new hospital or to expand an existing hospital or facility, there is a duplicative building and waiver process that adds additional revenue and time to the building process. Under current law, CAH's are required to submit a costly waiver, which requires both staff and consultancy time and overhead. For example, CAH's are required to apply for building codes and automatically seek an expensive waiver. This process is cumbersome and duplicative.

According to the National Rural Health Association, over 40% of rural hospitals are operating with negative margins and are vulnerable to closure. There are approximately 105 hospitals in Colorado, 43 of which are frontier or rural hospitals. Approximately 31 of the 43 rural hospitals are critical access hospitals. Most of the rural hospitals in Colorado only have 120 days of operating capital. Urban hospitals typically have over a year of operating capital. Rural hospitals have no margin of error.

Legislative Solution

Legislation is required to establish a separate building and licensure category within CDPHE for CAH's. A separate licensure category will eliminate duplicative building and waiver processes and save CAH resources. Currently, CDPHE only categorizes hospitals within a general hospital



category. Legislation will create a separate CAH licensure category for new hospital construction and expansion.

Endorsements

- Eastern Plains Healthcare Consortium (EPHC) – a consortium of approximately 15 rural and frontier hospitals in Colorado serving approximately 250,000 residents.

Contact Information

For additional information, please contact former Colorado State Representatives Mark Waller and Joe Miklosi, lobbyists for the Eastern Plains Healthcare Consortium (EPHC). Mark Waller: mark@wallerconsulting.net and 719-290-1292. Joe Miklosi: joe@joemiklosi.com and 303-919-4748.