

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 16-1169.01 Jane Ritter x4342

SENATE BILL 16-202

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SENATE SPONSORSHIP

Steadman, Grantham, Lambert

HOUSE SPONSORSHIP

Young, Hamner, Rankin

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Senate Committees  
Appropriations

House Committees

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A BILL FOR AN ACT

101 CONCERNING INCREASING ACCESS TO EFFECTIVE SUBSTANCE USE  
102 DISORDER SERVICES THROUGH DESIGNATED REGIONAL  
103 MANAGED SERVICE ORGANIZATIONS, AND, IN CONNECTION  
104 THEREWITH, MAKING AN APPROPRIATION.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)*

**Joint Budget Committee.** The bill requires each designated regional managed service organization (MSO) throughout the state to assess the sufficiency of effective substance use disorder services in its

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

geographic region for adolescents ages 17 and younger, young adults ages 18 through 25, pregnant women, women who are postpartum and parenting, and other adults who are in need of such services. Each MSO will provide the department of human services (department) and the department of health care policy and financing with a community action plan to increase access to effective substance use disorder services in its geographic region based on the results of the community assessment. The department shall post the results of the MSO community action plans on its website, as well as provide a summary report of the community action plans to the joint budget committee, the health and human services committee of the senate, and the public health care and human services committee of the house of representatives, or any successor committees.

On July 1, 2016, the department shall disburse to each MSO 60% of the MSO's allocation from the marijuana tax cash fund. The department shall disburse to each MSO the remaining 40% of the MSO's allocation after submission of the MSO's community action plan. Each MSO may use up to 15% of its state fiscal year 2016-17 allocation from the marijuana tax cash fund for the community assessment and related community action plan and the remainder for what is not otherwise covered by public or private insurance. Each MSO may utilize money allocated to it from the marijuana tax cash fund to implement its community action plan and increase access to effective substance use disorder services. On July 1, 2017, and on July 1 each year thereafter, the department shall disburse to each MSO 100% of the MSO's allocation from the marijuana tax cash fund.

For state fiscal year 2016-17, and each state fiscal year thereafter, the department shall allocate money that is annually appropriated from the marijuana tax cash fund to MSOs based on the department's allocation of the federal substance abuse prevention and treatment block grant for specific geographic areas. The department shall modify the allocation methodology as necessary in subsequent fiscal years.

Each MSO shall submit mid-year and annual reports to the department on its activities, use of money, and the impact of its community action plan to increase access to effective substance use disorder services.

The department is directed to contract with an evaluation contractor and to work collaboratively with that entity and the department of health care policy and financing to study the overall effectiveness of intensive residential treatment in the state. Prior to entering into a contract for the evaluation of intensive residential treatment, the department shall seek input from MSOs and residential substance use disorder treatment providers concerning relevant outcome measures.

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

1           **SECTION 1.** In Colorado Revised Statutes, **add** 27-80-107.5 as  
2 follows:

3           **27-80-107.5. Increasing access to effective substance use**  
4 **disorder services act - managed service organizations - substance use**  
5 **disorder services - assessment - community action plan - allocations**  
6 **- reporting requirements - evaluation.** (1) THE SHORT TITLE OF THIS  
7 SECTION IS THE "INCREASING ACCESS TO EFFECTIVE SUBSTANCE USE  
8 DISORDER SERVICES ACT".

9           (2) ON OR BEFORE FEBRUARY 1, 2017, EACH MANAGED SERVICE  
10 ORGANIZATION DESIGNATED PURSUANT TO SECTION 27-80-107 SHALL  
11 ASSESS THE SUFFICIENCY OF SUBSTANCE USE DISORDER SERVICES WITHIN  
12 ITS GEOGRAPHIC REGION FOR ADOLESCENTS AGES SEVENTEEN AND  
13 YOUNGER, YOUNG ADULTS AGES EIGHTEEN THROUGH TWENTY-FIVE,  
14 PREGNANT WOMEN, WOMEN WHO ARE POSTPARTUM AND PARENTING, AND  
15 OTHER ADULTS WHO ARE IN NEED OF SUCH SERVICES. DURING THE  
16 COMMUNITY ASSESSMENT PROCESS, EACH MANAGED SERVICE  
17 ORGANIZATION MAY SEEK INPUT AND INFORMATION FROM APPROPRIATE  
18 ENTITIES, SUCH AS COMMUNITY MENTAL HEALTH CENTERS, BEHAVIORAL  
19 HEALTH ORGANIZATIONS, COUNTY DEPARTMENTS OF HUMAN OR SOCIAL  
20 SERVICES, LOCAL PUBLIC HEALTH AGENCIES, SUBSTANCE USE DISORDER  
21 TREATMENT PROVIDERS, LAW ENFORCEMENT AGENCIES, PROBATION  
22 DEPARTMENTS, AND ORGANIZATIONS THAT SERVE VETERANS OR  
23 HOMELESS INDIVIDUALS. THE COMMUNITY ASSESSMENT MUST INCLUDE AN  
24 ANALYSIS OF EXISTING FUNDING AND RESOURCES WITHIN THE COMMUNITY  
25 TO PROVIDE A CONTINUUM OF SUBSTANCE USE DISORDER SERVICES,  
26 INCLUDING PREVENTION, INTERVENTION, TREATMENT, AND RECOVERY  
27 SUPPORT SERVICES, FOR ADOLESCENTS AGES SEVENTEEN AND YOUNGER,

1 YOUNG ADULTS AGES EIGHTEEN THROUGH TWENTY-FIVE, PREGNANT  
2 WOMEN, WOMEN WHO ARE POSTPARTUM AND PARENTING, AND OTHER  
3 ADULTS WHO ARE IN NEED OF SUCH SERVICES.

4 (3) (a) ON OR BEFORE MARCH 1, 2017, EACH MANAGED SERVICE  
5 ORGANIZATION THAT HAS COMPLETED A COMMUNITY ASSESSMENT  
6 PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL PREPARE AND  
7 SUBMIT IN ELECTRONIC FORMAT TO THE DEPARTMENT AND THE  
8 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING A COMMUNITY  
9 ACTION PLAN TO INCREASE ACCESS TO EFFECTIVE SUBSTANCE USE  
10 DISORDER SERVICES, REFERRED TO IN THIS SECTION AS THE "COMMUNITY  
11 ACTION PLAN". THE COMMUNITY ACTION PLAN MUST SUMMARIZE THE  
12 RESULTS OF THE COMMUNITY ASSESSMENT AND INCLUDE A DESCRIPTION  
13 OF HOW THE MANAGED SERVICE ORGANIZATION WILL UTILIZE ITS  
14 ALLOCATION OF FUNDING FROM THE MARIJUANA TAX CASH FUND CREATED  
15 IN SECTION 39-28.8-501, C.R.S., TO ADDRESS THE MOST CRITICAL SERVICE  
16 GAPS IN EACH GEOGRAPHIC REGION AND A TIMELINE FOR IMPLEMENTATION  
17 OF THE COMMUNITY ACTION PLAN.

18 (b) ON OR BEFORE MAY 1, 2017, THE DEPARTMENT SHALL POST  
19 THE COMMUNITY ACTION PLANS FROM THE MANAGED SERVICE  
20 ORGANIZATIONS DEVELOPED PURSUANT TO PARAGRAPH (a) OF THIS  
21 SUBSECTION (3) ON ITS WEBSITE. ON OR BEFORE MAY 1, 2017, THE  
22 DEPARTMENT SHALL SUBMIT A REPORT SUMMARIZING ALL OF THE  
23 COMMUNITY ACTION PLANS RECEIVED FROM THE MANAGED SERVICE  
24 ORGANIZATIONS TO THE JOINT BUDGET COMMITTEE, THE HEALTH AND  
25 HUMAN SERVICES COMMITTEE OF THE SENATE, AND THE PUBLIC HEALTH  
26 CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF  
27 REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES.

1           (4) (a) ON JULY 1, 2016, THE DEPARTMENT SHALL DISBURSE TO  
2 EACH DESIGNATED MANAGED SERVICE ORGANIZATION SIXTY PERCENT OF  
3 THE DESIGNATED MANAGED SERVICE ORGANIZATION'S ALLOCATION FROM  
4 THE MONEY APPROPRIATED FROM THE MARIJUANA TAX CASH FUND. EACH  
5 DESIGNATED MANAGED SERVICE ORGANIZATION THAT CONDUCTS A  
6 COMMUNITY ASSESSMENT AND PREPARES A COMMUNITY ACTION PLAN  
7 PURSUANT TO SUBSECTION (3) OF THIS SECTION MAY USE UP TO FIFTEEN  
8 PERCENT OF ITS STATE FISCAL YEAR 2016-17 ALLOCATION FROM THE  
9 MARIJUANA TAX CASH FUND FOR SUCH PURPOSES AND THE REMAINDER  
10 FOR SUBSTANCE USE DISORDER SERVICES. THE DEPARTMENT SHALL  
11 DISBURSE THE REMAINING FORTY PERCENT OF THE DESIGNATED MANAGED  
12 SERVICE ORGANIZATION'S MARIJUANA TAX CASH FUND ALLOCATION TO  
13 EACH DESIGNATED MANAGED SERVICE ORGANIZATION AFTER THE  
14 SUBMISSION OF ITS COMMUNITY ACTION PLAN.

15           (b) ON JULY 1, 2017, AND ON EVERY JULY 1 THEREAFTER, THE  
16 DEPARTMENT SHALL DISBURSE TO EACH DESIGNATED MANAGED SERVICE  
17 ORGANIZATION ONE HUNDRED PERCENT OF THE DESIGNATED MANAGED  
18 SERVICE ORGANIZATION'S ALLOCATION FROM THE MONEY APPROPRIATED  
19 FROM THE MARIJUANA TAX CASH FUND.

20           (c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EACH  
21 DESIGNATED MANAGED SERVICE ORGANIZATION USE MONEY ALLOCATED  
22 TO IT FROM THE MARIJUANA TAX CASH FUND TO COVER EXPENDITURES FOR  
23 SUBSTANCE USE DISORDER SERVICES THAT ARE NOT OTHERWISE COVERED  
24 BY PUBLIC OR PRIVATE INSURANCE. EXCEPT AS PROVIDED IN PARAGRAPH  
25 (a) OF THIS SUBSECTION (4), EACH MANAGED SERVICE ORGANIZATION MAY  
26 USE ITS ALLOCATION FROM THE MARIJUANA TAX CASH FUND TO  
27 IMPLEMENT ITS COMMUNITY ACTION PLAN AND INCREASE ACCESS TO

1 SUBSTANCE USE DISORDER SERVICES FOR POPULATIONS IN NEED OF SUCH  
2 SERVICES THAT ARE WITHIN ITS GEOGRAPHIC REGION.

3 (d) (I) FOR STATE FISCAL YEAR 2016-17, AND EACH STATE FISCAL  
4 YEAR THEREAFTER, THE DEPARTMENT SHALL ALLOCATE MONEY THAT IS  
5 ANNUALLY APPROPRIATED TO IT FROM THE MARIJUANA TAX CASH FUND TO  
6 THE DESIGNATED MANAGED SERVICE ORGANIZATIONS BASED ON THE  
7 DEPARTMENT'S ALLOCATION OF THE FEDERAL SUBSTANCE ABUSE  
8 PREVENTION AND TREATMENT BLOCK GRANT TO GEOGRAPHICAL AREAS  
9 FOR THE SAME STATE FISCAL YEAR.

10 (II) FOR STATE FISCAL YEAR 2017-18 AND EACH FISCAL YEAR  
11 THEREAFTER, THE DEPARTMENT SHALL MODIFY THE ALLOCATION  
12 METHODOLOGY SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (d)  
13 IF THE DESIGNATED MANAGED SERVICE ORGANIZATIONS RECOMMEND, BY  
14 CONSENSUS, A CHANGE. ANY SUCH RECOMMENDATION MUST BE  
15 SUBMITTED TO THE DEPARTMENT BY FEBRUARY 28 PRIOR TO THE STATE  
16 FISCAL YEAR IN WHICH THE CHANGE WOULD APPLY.

17 (5) (a) ON OR BEFORE SEPTEMBER 1, 2017, AND ON OR BEFORE  
18 EACH SEPTEMBER 1 THEREAFTER, EACH DESIGNATED MANAGED SERVICE  
19 ORGANIZATION SHALL SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT  
20 CONCERNING THE AMOUNT AND PURPOSE OF ACTUAL EXPENDITURES MADE  
21 USING MONEY FROM THE MARIJUANA TAX CASH FUND IN THE PREVIOUS  
22 STATE FISCAL YEAR. THE REPORT MUST CONTAIN A DESCRIPTION OF THE  
23 IMPACT OF THE EXPENDITURES ON ADDRESSING THE NEEDS THAT WERE  
24 INITIALLY IDENTIFIED IN THE COMMUNITY ASSESSMENT AND COMMUNITY  
25 ACTION PLAN DEVELOPED PURSUANT TO SUBSECTION (3) OF THIS SECTION,  
26 AS WELL AS ANY OTHER REQUIREMENTS ESTABLISHED FOR THE CONTENTS  
27 OF THE REPORT BY THE DEPARTMENT.

1 (b) ON OR BEFORE FEBRUARY 1, 2017, AND ON OR BEFORE EACH  
2 FEBRUARY 1 THEREAFTER, EACH DESIGNATED MANAGED SERVICE  
3 ORGANIZATION SHALL SUBMIT TO THE DEPARTMENT A MID-YEAR REPORT  
4 CONCERNING ACTUAL EXPENDITURES FROM JULY 1 THROUGH DECEMBER  
5 31.

6 (6) (a) ON OR BEFORE NOVEMBER 1, 2016, THE DEPARTMENT  
7 SHALL ENTER INTO A CONTRACT WITH AN EVALUATION CONTRACTOR TO  
8 STUDY THE EFFECTIVENESS OF INTENSIVE RESIDENTIAL TREATMENT OF  
9 SUBSTANCE USE DISORDERS PROVIDED THROUGH MANAGED SERVICE  
10 ORGANIZATIONS. THE DEPARTMENT AND THE DEPARTMENT OF HEALTH  
11 CARE POLICY AND FINANCING SHALL COLLABORATE WITH THE  
12 EVALUATION CONTRACTOR ON THE DESIGN OF THE EVALUATION SO THAT  
13 THE DATA AND ANALYSES WILL BE OF MAXIMUM BENEFIT FOR EVALUATING  
14 WHETHER THE MEDICAID BEHAVIORAL HEALTH BENEFIT SHOULD BE  
15 EXPANDED TO INCLUDE INTENSIVE RESIDENTIAL TREATMENT FOR  
16 SUBSTANCE USE DISORDERS.

17 (b) PRIOR TO ENTERING INTO A CONTRACT FOR THE EVALUATION  
18 OF INTENSIVE RESIDENTIAL TREATMENT OF SUBSTANCE USE DISORDERS  
19 PROVIDED THROUGH MANAGED SERVICE ORGANIZATIONS, THE  
20 DEPARTMENT SHALL SEEK INPUT FROM MANAGED SERVICE  
21 ORGANIZATIONS AND RESIDENTIAL SUBSTANCE USE DISORDER TREATMENT  
22 PROVIDERS CONCERNING RELEVANT OUTCOME MEASURES TO BE USED BY  
23 THE EVALUATION CONTRACTOR IN THE STUDY.

24 (c) ON OR BEFORE FEBRUARY 1, 2019, THE DEPARTMENT SHALL  
25 SUBMIT A COPY OF THE EVALUATION CONTRACTOR'S FINAL REPORT TO THE  
26 JOINT BUDGET COMMITTEE, THE HEALTH AND HUMAN SERVICES  
27 COMMITTEE OF THE SENATE, AND THE PUBLIC HEALTH CARE AND HUMAN

1 SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY  
2 SUCCESSOR COMMITTEES.

3 **SECTION 2.** In Colorado Revised Statutes, 39-28.8-501, **amend**  
4 (2) (b) (IV) introductory portion and (2) (b) (IV) (C) as follows:

5 **39-28.8-501. Marijuana tax cash fund - creation - distribution**  
6 **- repeal.** (2) (b) (IV) Subject to the limitation in subsection (5) of this  
7 section, the general assembly may annually appropriate any ~~moneys~~  
8 MONEY in the fund for any fiscal year following the fiscal year in which  
9 they were received by the state for the following purposes:

10 (C) To treat people with any type of ~~substance-abuse disorder,~~  
11 ~~especially~~ SUBSTANCE USE DISORDER, INCLUDING those with co-occurring  
12 disorders, TO EVALUATE THE EFFECTIVENESS AND SUFFICIENCY OF  
13 SUBSTANCE USE DISORDER SERVICES;

14 **SECTION 3. Appropriation.** (1) For the 2016-17 state fiscal  
15 year, \$6,000,000 is appropriated to the department of human services.  
16 This appropriation is from the marijuana tax cash fund created in section  
17 39-28.8-501 (1), C.R.S. To implement this act, the department may use  
18 this appropriation as follows:

19 (a) \$ \_\_\_\_\_ for distribution to managed service organizations  
20 pursuant to section 27-80-107.5 (4), C.R.S.; and

21 (b) \$ \_\_\_\_\_ for an evaluation of the effectiveness of  
22 intensive residential substance use disorder treatment pursuant to section  
23 27-80-107.5 (6), C.R.S.

24 **SECTION 4. Safety clause.** The general assembly hereby finds,  
25 determines, and declares that this act is necessary for the immediate  
26 preservation of the public peace, health, and safety.