

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 16-1169.01 Jane Ritter x4342

SENATE BILL 16-202

SENATE SPONSORSHIP

Steadman, Grantham, Lambert

HOUSE SPONSORSHIP

Young, Hamner, Rankin

Senate Committees  
Appropriations

House Committees  
Appropriations

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.

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.*

HOUSE  
2nd Reading Unamended  
May 5, 2016

SENATE  
3rd Reading Unamended  
May 2, 2016

SENATE  
Amended 2nd Reading  
April 29, 2016

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 SHALL 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, == ORGANIZATIONS THAT SERVE VETERANS OR HOMELESS  
23 INDIVIDUALS, AND OTHER RELEVANT STAKEHOLDERS. THE COMMUNITY  
24 ASSESSMENT MUST INCLUDE AN ANALYSIS OF EXISTING FUNDING AND  
25 RESOURCES WITHIN THE COMMUNITY TO PROVIDE A CONTINUUM OF  
26 SUBSTANCE USE DISORDER SERVICES, INCLUDING PREVENTION,  
27 INTERVENTION, TREATMENT, AND RECOVERY SUPPORT SERVICES, FOR

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

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

19 (b) A MANAGED SERVICE ORGANIZATION MAY PERIODICALLY  
20 UPDATE ITS COMMUNITY ACTION PLAN TO REFLECT CHANGES IN  
21 COMMUNITY NEEDS AND PRIORITIES. ANY SUCH UPDATED PLAN MUST BE  
22 SUBMITTED IN ELECTRONIC FORMAT TO THE DEPARTMENT AND THE  
23 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

24 (c) ON OR BEFORE MAY 1, 2017, THE DEPARTMENT SHALL POST  
25 THE COMMUNITY ACTION PLANS FROM THE MANAGED SERVICE  
26 ORGANIZATIONS DEVELOPED PURSUANT TO PARAGRAPH (a) OF THIS  
27 SUBSECTION (3) ON ITS WEBSITE. ON OR BEFORE MAY 1, 2017, THE

1 DEPARTMENT SHALL SUBMIT A REPORT SUMMARIZING ALL OF THE  
2 COMMUNITY ACTION PLANS RECEIVED FROM THE MANAGED SERVICE  
3 ORGANIZATIONS TO THE JOINT BUDGET COMMITTEE, THE HEALTH AND  
4 HUMAN SERVICES COMMITTEE OF THE SENATE, AND THE PUBLIC HEALTH  
5 CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF  
6 REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES. THE DEPARTMENT  
7 SHALL POST ON ITS WEBSITE ANY UPDATED COMMUNITY ACTION PLANS  
8 RECEIVED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (3).

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

23 (b) ON JULY 1, 2017, AND ON EVERY JULY 1 THEREAFTER, THE  
24 DEPARTMENT SHALL DISBURSE TO EACH DESIGNATED MANAGED SERVICE  
25 ORGANIZATION THAT HAS SUBMITTED A COMMUNITY ACTION PLAN ONE  
26 HUNDRED PERCENT OF THE DESIGNATED MANAGED SERVICE  
27 ORGANIZATION'S ALLOCATION FROM THE MONEY APPROPRIATED FROM THE

1 MARIJUANA TAX CASH FUND.

2 (c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EACH  
3 DESIGNATED MANAGED SERVICE ORGANIZATION USE MONEY ALLOCATED  
4 TO IT FROM THE MARIJUANA TAX CASH FUND TO COVER EXPENDITURES FOR  
5 SUBSTANCE USE DISORDER SERVICES THAT ARE NOT OTHERWISE COVERED  
6 BY PUBLIC OR PRIVATE INSURANCE. EXCEPT AS PROVIDED IN PARAGRAPH  
7 (a) OF THIS SUBSECTION (4), EACH MANAGED SERVICE ORGANIZATION MAY  
8 USE ITS ALLOCATION FROM THE MARIJUANA TAX CASH FUND TO  
9 IMPLEMENT ITS COMMUNITY ACTION PLAN AND INCREASE ACCESS TO  
10 SUBSTANCE USE DISORDER SERVICES FOR POPULATIONS IN NEED OF SUCH  
11 SERVICES THAT ARE WITHIN ITS GEOGRAPHIC REGION.

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

19 (II) FOR STATE FISCAL YEAR 2017-18 AND EACH FISCAL YEAR  
20 THEREAFTER, THE DEPARTMENT SHALL MODIFY THE ALLOCATION  
21 METHODOLOGY SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (d)  
22 IF THE DESIGNATED MANAGED SERVICE ORGANIZATIONS RECOMMEND, BY  
23 CONSENSUS, A CHANGE. ANY SUCH RECOMMENDATION MUST BE  
24 SUBMITTED TO THE DEPARTMENT BY FEBRUARY 28 PRIOR TO THE STATE  
25 FISCAL YEAR IN WHICH THE CHANGE WOULD APPLY.

26 (5) (a) ON OR BEFORE SEPTEMBER 1, 2017, AND ON OR BEFORE  
27 EACH SEPTEMBER 1 THEREAFTER, EACH DESIGNATED MANAGED SERVICE

1 ORGANIZATION SHALL SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT  
2 CONCERNING THE AMOUNT AND PURPOSE OF ACTUAL EXPENDITURES MADE  
3 USING MONEY FROM THE MARIJUANA TAX CASH FUND IN THE PREVIOUS  
4 STATE FISCAL YEAR. THE REPORT MUST CONTAIN A DESCRIPTION OF THE  
5 IMPACT OF THE EXPENDITURES ON ADDRESSING THE NEEDS THAT WERE  
6 IDENTIFIED IN THE INITIAL AND ANY SUBSEQUENT COMMUNITY  
7 ASSESSMENTS AND ACTION PLANS \_\_\_\_\_ DEVELOPED PURSUANT TO  
8 SUBSECTION (3) OF THIS SECTION, AS WELL AS ANY OTHER REQUIREMENTS  
9 ESTABLISHED FOR THE CONTENTS OF THE REPORT BY THE DEPARTMENT.

10 (b) ON OR BEFORE FEBRUARY 1, 2017, AND ON OR BEFORE EACH  
11 FEBRUARY 1 THEREAFTER, EACH DESIGNATED MANAGED SERVICE  
12 ORGANIZATION SHALL SUBMIT TO THE DEPARTMENT A MID-YEAR REPORT  
13 CONCERNING ACTUAL EXPENDITURES FROM JULY 1 THROUGH DECEMBER  
14 31.

15 (c) ON OR BEFORE NOVEMBER 1, 2020, THE DEPARTMENT, IN  
16 COLLABORATION WITH THE DESIGNATED MANAGED SERVICE  
17 ORGANIZATIONS, SHALL SUBMIT A REPORT TO THE JOINT BUDGET  
18 COMMITTEE AND THE JOINT HEALTH AND HUMAN SERVICES COMMITTEE,  
19 OR ANY SUCCESSOR COMMITTEES. THE REPORT MUST:

20 (I) SUMMARIZE EXPENDITURES MADE BY THE DESIGNATED  
21 MANAGED SERVICE ORGANIZATIONS USING MONEY MADE AVAILABLE  
22 PURSUANT TO THIS SECTION FOR STATE FISCAL YEARS 2016-17, 2017-18,  
23 2018-19, AND 2019-20;

24 (II) DESCRIBE THE IMPACT THE EXPENDITURES HAVE HAD ON  
25 INCREASING STATEWIDE ACCESS TO EFFECTIVE SUBSTANCE USE DISORDER  
26 SERVICES; AND

27 (III) INCLUDE ANY RECOMMENDATIONS TO STRENGTHEN OR

1 IMPROVE THE PROGRAM.

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

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

20 (c) ON OR BEFORE FEBRUARY 1, 2019, THE DEPARTMENT SHALL  
21 SUBMIT A COPY OF THE EVALUATION CONTRACTOR'S FINAL REPORT TO THE  
22 JOINT BUDGET COMMITTEE, THE HEALTH AND HUMAN SERVICES  
23 COMMITTEE OF THE SENATE, AND THE PUBLIC HEALTH CARE AND HUMAN  
24 SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY  
25 SUCCESSOR COMMITTEES.

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



1           **39-28.8-501. Marijuana tax cash fund - creation - distribution**

2   **- repeal.** (2) (b) (IV) Subject to the limitation in subsection (5) of this  
3 section, the general assembly may annually appropriate any ~~moneys~~  
4 MONEY in the fund for any fiscal year following the fiscal year in which  
5 they were received by the state for the following purposes:

6           (C) To treat AND PROVIDE RELATED SERVICES TO people with any  
7 type of ~~substance-abuse disorder, especially~~ SUBSTANCE USE DISORDER,  
8 INCLUDING those with co-occurring disorders, OR TO EVALUATE THE  
9 EFFECTIVENESS AND SUFFICIENCY OF SUBSTANCE USE DISORDER SERVICES;

10           **SECTION 3. Appropriation.** (1) For the 2016-17 state fiscal  
11 year, \$6,000,000 is appropriated to the department of human services.  
12 This appropriation is from the marijuana tax cash fund created in section  
13 39-28.8-501 (1), C.R.S. To implement this act, the department may use  
14 this appropriation as follows:

15           (a) \$5,823,632 for distribution to managed service organizations  
16 pursuant to section 27-80-107.5 (4), C.R.S.;

17           (b) \$65,715 for personal services related to community behavioral  
18 health administration, which amount is based on an assumption that the  
19 department will require an additional 1.0 FTE;

20           (c) \$5,653 for operating expenses related to community behavioral  
21 health administration; and

22           (d) \$105,000 for an evaluation of the effectiveness of intensive  
23 residential substance use disorder treatment pursuant to section  
24 27-80-107.5 (6), C.R.S.

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