

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

May 5, 2017
Date

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

SB17-267 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Strike the Finance Committee Report, dated April 11, 2017.
- 2 Amend printed bill, strike everything below the enacting clause and
- 3 substitute:
- 4 **"SECTION 1. Legislative declaration.** (1) The general
- 5 assembly hereby finds and declares that:
- 6 (a) In comparison to the urban and suburban areas of the state,
- 7 rural Colorado, on average and with some exceptions, faces complex
- 8 demographic, economic, and geographical challenges including:
- 9 (I) An older population that requires more medical care;
- 10 (II) Less robust and diverse economic activity and associated
- 11 lower average wages and household incomes; and
- 12 (III) Greater challenges, due to distance and less adequate
- 13 transportation infrastructure, in accessing critical services such as health
- 14 care; and
- 15 (b) The purpose of this legislation is to ensure and perpetuate the
- 16 sustainability of rural Colorado by addressing some of these demographic,
- 17 economic, and geographical challenges and by such other means as the
- 18 general assembly, in its considered judgment, finds necessary and
- 19 appropriate.
- 20 (2) The general assembly further finds and declares that the
- 21 sustainability of rural Colorado is directly connected to the economic
- 22 vitality of the state as a whole, and that all of the provisions of this act,
- 23 including provisions that on their face apply to and affect all areas of the
- 24 state but that especially benefit rural Colorado, relate to and serve and are

1 necessarily and properly connected to the general assembly's purpose of
2 ensuring and perpetuating the sustainability of rural Colorado.

3 **SECTION 2.** In Colorado Revised Statutes, **amend** 2-3-119 as
4 follows:

5 **2-3-119. Audit of healthcare affordability and sustainability**
6 **fee - cost shift.** ~~Starting with the second full state fiscal year following~~
7 ~~the receipt of the notice from the executive director of the department of~~
8 ~~health care policy and financing pursuant to section 25.5-4-402.3 (7);~~
9 ~~C.R.S., and thereafter~~ At the discretion of the legislative audit committee,
10 the state auditor shall conduct or cause to be conducted a performance
11 and fiscal audit of the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND
12 SUSTAINABILITY fee established pursuant to ~~section 25.5-4-402.3, C.R.S.~~
13 SECTION 25.5-4-402.4.

14 **SECTION 3.** In Colorado Revised Statutes, 2-3-1203, **repeal**
15 (8)(a)(V) as follows:

16 **2-3-1203. Sunset review of advisory committees - legislative**
17 **declaration - definition - repeal.** (8) (a) The following statutory
18 authorizations for the designated advisory committees will repeal on July
19 1, 2019:

20 (V) ~~The hospital provider fee oversight and advisory board~~
21 ~~created in section 25.5-4-402.3, C.R.S.;~~

22 **SECTION 4.** In Colorado Revised Statutes, **add** 22-54-139 as
23 follows:

24 **22-54-139. Additional funding for schools - use of retail**
25 **marijuana sales tax revenue transferred to state public school fund**
26 **- definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
27 OTHERWISE REQUIRES:

28 (a) "LARGE RURAL DISTRICT" MEANS A DISTRICT IN COLORADO
29 THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON
30 THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE
31 DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A
32 FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ONE THOUSAND
33 PUPILS OR MORE BUT FEWER THAN SIX THOUSAND FIVE HUNDRED PUPILS.

34 (b) "PER PUPIL DISTRIBUTION AMOUNT" MEANS:

35 (I) FOR A LARGE RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY
36 MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN
37 SUBSECTION (2)(a) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF
38 THE TOTAL FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ALL
39 LARGE RURAL DISTRICTS; AND

40 (II) FOR A SMALL RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY
41 MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN

1 SUBSECTION (2)(b) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF
2 THE TOTAL FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ALL
3 SMALL RURAL DISTRICTS;

4 (c) "SMALL RURAL DISTRICT" MEANS A DISTRICT IN COLORADO
5 THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON
6 THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE
7 DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A
8 FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF FEWER THAN ONE
9 THOUSAND PUPILS.

10 (2) FOR THE 2017-18 BUDGET YEAR, ALL OF THE GROSS RETAIL
11 MARIJUANA SALES TAX PROCEEDS TRANSFERRED FROM THE GENERAL
12 FUND TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114
13 (1) AS REQUIRED BY SECTION 39-28.8-203 (1)(b)(I.3)(B) IS APPROPRIATED
14 FROM THE STATE PUBLIC SCHOOL FUND TO THE DEPARTMENT FOR
15 MONTHLY DISTRIBUTION TO EACH LARGE RURAL DISTRICT AND EACH
16 SMALL RURAL DISTRICT FOR THE PURPOSE OF IMPROVING STUDENT
17 LEARNING AND THE EDUCATIONAL ENVIRONMENT, INCLUDING BUT NOT
18 LIMITED TO LOAN FORGIVENESS FOR EDUCATORS AND STAFF,
19 TECHNOLOGY, AND TRANSPORTATION, AS FOLLOWS:

20 (a) FIFTY-FIVE PERCENT OF THE MONEY IS ALLOCATED TO LARGE
21 RURAL DISTRICTS AND DISTRIBUTED TO EACH LARGE RURAL DISTRICT IN
22 AN AMOUNT EQUAL TO THE PER PUPIL DISTRIBUTION AMOUNT MULTIPLIED
23 BY THE LARGE RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE PRIOR
24 BUDGET YEAR FOR PROPORTIONAL APPORTIONMENT TO EVERY SCHOOL IN
25 THE DISTRICT BASED ON THE NUMBER OF STUDENTS ENROLLED IN EACH
26 SCHOOL FOR THE PRIOR BUDGET YEAR; AND

27 (b) FORTY-FIVE PERCENT OF THE MONEY IS ALLOCATED TO SMALL
28 RURAL SCHOOL DISTRICTS AND DISTRIBUTED TO EACH SMALL RURAL
29 DISTRICT IN AN AMOUNT EQUAL TO THE PER PUPIL DISTRIBUTION AMOUNT
30 MULTIPLIED BY THE SMALL RURAL DISTRICT'S FUNDED PUPIL COUNT FOR
31 THE PRIOR BUDGET YEAR FOR PROPORTIONAL APPORTIONMENT TO EVERY
32 SCHOOL IN THE DISTRICT BASED ON THE NUMBER OF STUDENTS ENROLLED
33 IN EACH SCHOOL FOR THE PRIOR BUDGET YEAR.

34 (3) FOR THE 2018-19 BUDGET YEAR AND FOR EACH BUDGET YEAR
35 THEREAFTER, ALL OF THE GROSS RETAIL MARIJUANA SALES TAX PROCEEDS
36 TRANSFERRED FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL
37 FUND CREATED IN SECTION 22-54-114 (1) AS REQUIRED BY SECTION
38 39-28.8-203 (1)(b)(I.5)(B) IS APPROPRIATED FROM THE STATE PUBLIC
39 SCHOOL FUND TO THE DEPARTMENT TO MEET THE STATE'S SHARE OF THE
40 TOTAL PROGRAM OF ALL DISTRICTS AND FUNDING FOR INSTITUTE CHARTER
41 SCHOOLS.

1 **SECTION 5.** In Colorado Revised Statutes, 23-1-106, **amend**
2 (10.2)(a) as follows:

3 **23-1-106. Duties and powers of the commission with respect**
4 **to capital construction and long-range planning - legislative**
5 **declaration - definitions.** (10.2) (a) (I) Notwithstanding any law to the
6 contrary AND EXCEPT AS PROVIDED IN SUBSECTION (10.2)(a)(III) OF THIS
7 SECTION, all academic facilities acquired or constructed, or an auxiliary
8 facility repurposed for use as an academic facility, solely from cash funds
9 held by the state institution of higher education and operated and
10 maintained from such cash funds or from state ~~moneys~~ MONEY
11 appropriated for such purpose, or both, including, but not limited to, those
12 facilities described in ~~paragraph (b) of subsection (9)~~ SUBSECTION (9)(b)
13 of this section, that did not previously qualify for state controlled
14 maintenance funding will qualify for state controlled maintenance
15 funding, subject to funding approval by the capital development
16 committee and the eligibility guidelines described in section
17 24-30-1303.9. ~~C.R.S.~~

18 (II) For purposes of this ~~paragraph (a)~~ SUBSECTION (10.2)(a), the
19 eligibility for state controlled maintenance funding commences on the
20 date of the acceptance of the construction or repurposing of the facility
21 or the closing date of any acquisition. The date of the acceptance of
22 construction or repurposing shall be determined by the office of the state
23 architect.

24 (III) IF AN ACADEMIC FACILITY IS ACQUIRED OR CONSTRUCTED, OR
25 IF AN AUXILIARY FACILITY IS REPURPOSED FOR USE AS AN ACADEMIC
26 FACILITY, SOLELY FROM CASH FUNDS HELD BY THE STATE INSTITUTION OF
27 HIGHER EDUCATION AND OPERATED AND MAINTAINED FROM SUCH CASH
28 FUNDS, THEN AS OF THE DATE OF THE ACCEPTANCE OF CONSTRUCTION OR
29 REPURPOSING THAT OCCURS ON OR AFTER JULY 1, 2018, THE FACILITY IS
30 NOT ELIGIBLE FOR CONTROLLED MAINTENANCE FUNDING.

31 **SECTION 6.** In Colorado Revised Statutes, 24-1-119.5, **add** (9)
32 as follows:

33 **24-1-119.5. Department of health care policy and financing -**
34 **creation.** (9) THE COLORADO HEALTHCARE AFFORDABILITY AND
35 SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4(3) SHALL
36 EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS AS IF THE
37 SAME WERE TRANSFERRED BY A **TYPE 2** TRANSFER, AS DEFINED IN SECTION
38 24-1-105, TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

39 **SECTION 7.** In Colorado Revised Statutes, 24-4-103, **amend**
40 (8)(c)(I) as follows:

41 **24-4-103. Rule-making - procedure - definitions - repeal.**

1 (8) (c) (I) Notwithstanding any other provision of law to the contrary and
2 the provisions of section 24-4-107, all rules adopted or amended on or
3 after January 1, 1993, and before November 1, 1993, ~~shall~~ expire at 11:59
4 p.m. on May 15 of the year following their adoption unless the general
5 assembly by bill acts to postpone the expiration of a specific rule, and
6 commencing with rules adopted or amended on or after November 1,
7 1993, all rules adopted or amended during any one-year period that begins
8 each November 1 and continues through the following October 31 ~~shall~~
9 expire at 11:59 p.m. on the May 15 that follows such one-year period
10 unless the general assembly by bill acts to postpone the expiration of a
11 specific rule; except that a rule adopted pursuant to ~~section 25.5-4-402.3~~
12 ~~(5)(b)(III), C.R.S., shall expire~~ SECTION 25.5-4-402.4 (6)(b)(III) EXPIRES
13 at 11:59 p.m. on the May 15 following the adoption of the rule unless the
14 general assembly acts by bill to postpone the expiration of a specific rule.
15 The general assembly, in its discretion, may postpone such expiration, in
16 which case, the provisions of section 24-4-108 or 24-34-104 ~~shall~~ apply,
17 and the rules ~~shall~~ expire or ~~be~~ ARE subject to review as provided in ~~said~~
18 THOSE sections. The postponement of the expiration of a rule ~~shall~~ DOES
19 not constitute legislative approval of the rule ~~nor be~~ AND IS NOT
20 admissible in any court as evidence of legislative intent. The
21 postponement of the expiration date of a specific rule ~~shall~~ DOES not
22 prohibit any action by the general assembly pursuant to the provisions of
23 ~~paragraph (d) of this subsection (8)~~ SUBSECTION (8)(d) OF THIS SECTION
24 with respect to ~~such~~ THE rule.

25 **SECTION 8.** In Colorado Revised Statutes, 24-30-1303.9,
26 **amend** (7)(a)(II), (7)(a)(III), and (7)(a)(IV); and **add** (7)(a)(V) as
27 follows:

28 **24-30-1303.9. Eligibility for state controlled maintenance**
29 **funding - legislative declaration.** (7) (a) Controlled maintenance funds
30 may not be used for:

31 (II) Auxiliary facilities as defined in section 23-1-106 (10.3);
32 ~~C.R.S.;~~

33 (III) Leasehold interests in real property; ~~or~~

34 (IV) Any work properly categorized as capital construction; OR

35 (V) FACILITIES DESCRIBED IN SECTION 23-1-106 (10.2)(a)(III).

36 **SECTION 9.** In Colorado Revised Statutes, **add** 24-37-305 as
37 follows:

38 **24-37-305. 2018-19 fiscal year - required reductions in**
39 **departmental and executive branch budget requests.** (1) (a) EXCEPT
40 AS OTHERWISE PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION, FOR THE
41 2018-19 BUDGET YEAR, EACH PRINCIPAL DEPARTMENT OF STATE

1 GOVERNMENT THAT SUBMITS A BUDGET REQUEST TO THE OFFICE OF STATE
2 PLANNING AND BUDGETING SHALL REQUEST, WHEN SUBMITTING THE
3 BUDGET REQUEST, A TOTAL BUDGET FOR THE DEPARTMENT THAT IS AT
4 LEAST TWO PERCENT LOWER THAN ITS ACTUAL BUDGET FOR THE 2017-18
5 FISCAL YEAR.

6 (b) THE REQUIREMENT SPECIFIED IN SUBSECTION (1)(a) OF THIS
7 SECTION DOES NOT APPLY TO THE DEPARTMENT OF EDUCATION CREATED
8 IN SECTION 24-1-115 (1) OR THE DEPARTMENT OF TRANSPORTATION
9 CREATED IN SECTION 24-1-128.7 (1).

10 (2) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL
11 STRONGLY CONSIDER THE BUDGET REDUCTION PROPOSALS MADE BY EACH
12 PRINCIPAL DEPARTMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION
13 WHEN PREPARING THE ANNUAL EXECUTIVE BUDGET PROPOSALS TO THE
14 GENERAL ASSEMBLY FOR THE GOVERNOR AS REQUIRED BY SECTION
15 24-37-302 (1)(g) AND SHALL SEEK TO ENSURE, SUBJECT TO SECTION
16 24-37-303, THAT THE EXECUTIVE BUDGET PROPOSAL FOR EACH
17 DEPARTMENT IS AT LEAST TWO PERCENT LOWER THAN THE DEPARTMENT'S
18 ACTUAL BUDGET FOR THE 2017-18 FISCAL YEAR.

19 **SECTION 10.** In Colorado Revised Statutes, 24-75-219, **repeal**
20 **as added by Senate Bill 17-262** (2)(c.3)(I) and (2)(c.7)(I) as follows:

21 **24-75-219. Transfers - transportation - capital construction -**
22 **definitions.** (2)(c.3) On June 30, 2019, the state treasurer shall transfer:

23 (I) ~~One hundred sixty million dollars from the general fund to the~~
24 ~~highway users tax fund; and~~

25 (c.7) On June 30, 2020, the state treasurer shall transfer:

26 (I) ~~One hundred sixty million dollars from the general fund to the~~
27 ~~highway users tax fund; and~~

28 **SECTION 11.** In Colorado Revised Statutes, 24-77-103.6,
29 **amend** (6)(b)(I) as follows:

30 **24-77-103.6. Retention of excess state revenues - general fund**
31 **exempt account - required uses - excess state revenues legislative**
32 **report.** (6) As used in this section:

33 (b) (I) "Excess state revenues cap" for a given fiscal year means:
34 ~~either of the following:~~

35 (A) ~~If the voters of the state approve a ballot issue to authorize the~~
36 ~~state to incur multiple-fiscal year obligations at the November 2005~~
37 ~~statewide election, an amount that is equal to the highest total state~~
38 ~~revenues for a fiscal year from the period of the 2005-06 fiscal year~~
39 ~~through the 2009-10 fiscal year, adjusted each subsequent fiscal year for~~
40 ~~inflation and the percentage change in state population, plus one hundred~~
41 ~~million dollars, and adjusting such sum for the qualification or~~

1 ~~disqualification of enterprises and debt service changes, or~~
2 (B) ~~If the voters of the state do not approve a ballot issue to~~
3 ~~authorize the state to incur multiple-fiscal year obligations at the~~
4 ~~November 2005 statewide election,~~ FOR EACH FISCAL YEAR UP TO AND
5 INCLUDING THE 2016-17 FISCAL YEAR, an amount that is equal to the
6 highest total state revenues for a fiscal year from the period of the
7 2005-06 fiscal year through the 2009-10 fiscal year, adjusted each
8 subsequent fiscal year for inflation, the percentage change in state
9 population, the qualification or disqualification of enterprises, and debt
10 service changes;

11 (C) FOR THE 2017-18 FISCAL YEAR, AN AMOUNT THAT IS EQUAL TO
12 THE EXCESS STATE REVENUES CAP FOR THE 2016-17 FISCAL YEAR
13 CALCULATED PURSUANT TO SUBSECTION (6)(b)(I)(B) OF THIS SECTION,
14 ADJUSTED FOR INFLATION, THE PERCENTAGE CHANGE IN STATE
15 POPULATION, THE QUALIFICATION OR DISQUALIFICATION OF ENTERPRISES,
16 AND DEBT SERVICE CHANGES, LESS TWO HUNDRED MILLION DOLLARS; AND

17 (D) FOR THE 2018-19 FISCAL YEAR AND EACH SUCCEEDING FISCAL
18 YEAR, THE AMOUNT OF THE EXCESS STATE REVENUES CAP FOR THE
19 2017-18 FISCAL YEAR CALCULATED PURSUANT TO SUBSECTION
20 (6)(b)(I)(C) OF THIS SECTION, ADJUSTED EACH SUBSEQUENT FISCAL YEAR
21 FOR INFLATION, THE PERCENTAGE CHANGE IN STATE POPULATION, THE
22 QUALIFICATION OR DISQUALIFICATION OF ENTERPRISES, AND DEBT SERVICE
23 CHANGES.

24 **SECTION 12.** In Colorado Revised Statutes, **add** part 13 to
25 article 82 of title 24 as follows:

26 **PART 13**

27 **LEASE-PURCHASE AGREEMENTS FOR STATE PROPERTY**

28 **24-82-1301. Legislative declaration.** (1) THE GENERAL
29 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

30 (a) DUE TO INSUFFICIENT FUNDING, NECESSARY HIGH-PRIORITY
31 STATE HIGHWAY PROJECTS AND STATE CAPITAL CONSTRUCTION PROJECTS,
32 INCLUDING PROJECTS AT STATE INSTITUTIONS OF HIGHER EDUCATION, IN
33 ALL AREAS OF THE STATE HAVE BEEN DELAYED, AND THE STATE HAS ALSO
34 DELAYED CRITICAL CONTROLLED MAINTENANCE AND UPKEEP OF STATE
35 CAPITAL ASSETS;

36 (b) BY ISSUING LEASE-PURCHASE AGREEMENTS USING STATE
37 BUILDINGS AS COLLATERAL AS AUTHORIZED BY THIS PART 13, THE STATE
38 CAN GENERATE SUFFICIENT FUNDS TO ACCELERATE THE COMPLETION OF
39 MANY OF THE NECESSARY HIGH-PRIORITY STATE HIGHWAY PROJECTS AND
40 CAPITAL CONSTRUCTION PROJECTS THAT HAVE BEEN DELAYED AND
41 BETTER MAINTAIN AND PRESERVE EXISTING STATE CAPITAL ASSETS;

1 (c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A MAJORITY
2 OF THE ADDITIONAL FUNDING FOR STATE CAPITAL CONSTRUCTION
3 PROJECTS REALIZED FROM ISSUING LEASE-PURCHASE AGREEMENTS BE
4 USED FOR CONTROLLED MAINTENANCE AND UPKEEP OF STATE CAPITAL
5 ASSETS.

6 **24-82-1302. Definitions.** AS USED IN THIS PART 13, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "CAPITAL CONSTRUCTION" HAS THE SAME MEANING AS SET
9 FORTH IN SECTION 24-30-1301 (2).

10 (2) "CONTROLLED MAINTENANCE" HAS THE SAME MEANING AS SET
11 FORTH IN SECTION 24-30-1301 (4).

12 (3) "ELIGIBLE STATE FACILITY" MEANS ANY FINANCIALLY
13 UNENCUMBERED BUILDING, STRUCTURE, OR FACILITY THAT IS OWNED BY
14 THE STATE, INCLUDING A BUILDING, STRUCTURE, OR FACILITY DETERMINED
15 TO BE ELIGIBLE BY A GOVERNING BOARD OF A STATE INSTITUTION OF
16 HIGHER EDUCATION, AND DOES NOT INCLUDE ANY BUILDING, STRUCTURE,
17 OR FACILITY THAT IS PART OF THE STATE EMERGENCY RESERVE FOR ANY
18 STATE FISCAL YEAR AS DESIGNATED IN THE ANNUAL GENERAL
19 APPROPRIATION ACT.

20 (4) "STATE INSTITUTION OF HIGHER EDUCATION" MEANS A STATE
21 INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102
22 (10), AND THE AURARIA HIGHER EDUCATION CENTER CREATED IN ARTICLE
23 70 OF TITLE 23.

24 **24-82-1303. Lease-purchase agreements for capital**
25 **construction and transportation projects.** (1) ON OR BEFORE
26 DECEMBER 31, 2017, THE STATE ARCHITECT, THE DIRECTOR OF THE OFFICE
27 OF STATE PLANNING AND BUDGETING OR HIS OR HER DESIGNEE, AND THE
28 STATE INSTITUTIONS OF HIGHER EDUCATION SHALL IDENTIFY AND PREPARE
29 A COLLABORATIVE LIST OF ELIGIBLE STATE FACILITIES THAT CAN BE
30 COLLATERALIZED AS PART OF THE LEASE-PURCHASE AGREEMENTS FOR
31 CAPITAL CONSTRUCTION AND TRANSPORTATION PROJECTS AUTHORIZED IN
32 THIS PART 13. THE TOTAL CURRENT REPLACEMENT VALUE OF THE
33 IDENTIFIED BUILDINGS MUST EQUAL AT LEAST TWO BILLION DOLLARS.

34 (2) (a) NOTWITHSTANDING THE PROVISIONS OF SECTIONS
35 24-82-102 (1)(b) AND 24-82-801, AND PURSUANT TO SECTION 24-36-121,
36 NO SOONER THAN JULY 1, 2018, THE STATE, ACTING BY AND THROUGH THE
37 STATE TREASURER, SHALL EXECUTE LEASE-PURCHASE AGREEMENTS, EACH
38 FOR NO MORE THAN TWENTY YEARS OF ANNUAL PAYMENTS, FOR THE
39 PROJECTS DESCRIBED IN SUBSECTION (4) OF THIS SECTION. THE STATE
40 SHALL EXECUTE THE LEASE-PURCHASE AGREEMENTS ONLY IN
41 ACCORDANCE WITH THE FOLLOWING SCHEDULE:

1 (I) DURING THE 2018-19 STATE FISCAL YEAR, THE STATE SHALL
2 EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE
3 HUNDRED MILLION DOLLARS;

4 (II) DURING THE 2019-20 STATE FISCAL YEAR, THE STATE SHALL
5 EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE
6 HUNDRED MILLION DOLLARS;

7 (III) DURING THE 2020-21 STATE FISCAL YEAR, THE STATE SHALL
8 EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE
9 HUNDRED MILLION DOLLARS; AND

10 (IV) DURING THE 2021-22 FISCAL YEAR, THE STATE SHALL
11 EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE
12 HUNDRED MILLION DOLLARS.

13 (b) THE ANTICIPATED ANNUAL STATE-FUNDED PAYMENTS FOR THE
14 PRINCIPAL AND INTEREST COMPONENTS OF THE AMOUNT PAYABLE UNDER
15 ALL LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO
16 SUBSECTION (2)(a) OF THIS SECTION SHALL NOT EXCEED ONE HUNDRED
17 FIFTY MILLION DOLLARS.

18 (c) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER,
19 AT THE STATE TREASURER'S SOLE DISCRETION, MAY ENTER INTO ONE OR
20 MORE LEASE-PURCHASE AGREEMENTS AUTHORIZED BY SUBSECTION (2)(a)
21 OF THIS SECTION WITH ANY FOR-PROFIT OR NONPROFIT CORPORATION,
22 TRUST, OR COMMERCIAL BANK AS A TRUSTEE AS THE LESSOR.

23 (d) ANY LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED
24 BY SUBSECTION (2)(a) OF THIS SECTION SHALL PROVIDE THAT ALL OF THE
25 OBLIGATIONS OF THE STATE UNDER THE AGREEMENT ARE SUBJECT TO THE
26 ACTION OF THE GENERAL ASSEMBLY IN ANNUALLY MAKING MONEY
27 AVAILABLE FOR ALL PAYMENTS THEREUNDER. PAYMENTS UNDER ANY
28 LEASE-PURCHASE AGREEMENT MUST BE MADE, SUBJECT TO ANNUAL
29 ALLOCATION PURSUANT TO SECTION 43-1-113 BY THE TRANSPORTATION
30 COMMISSION CREATED IN SECTION 43-1-106 (1) OR SUBJECT TO ANNUAL
31 APPROPRIATION BY THE GENERAL ASSEMBLY, AS APPLICABLE, FROM THE
32 FOLLOWING SOURCES OF MONEY:

33 (I) FIRST, NINE MILLION DOLLARS ANNUALLY, OR ANY LESSER
34 AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL
35 BE PAID FROM THE GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE
36 SOURCE OF MONEY FOR THE PURPOSE OF FULLY FUNDING THE CONTROLLED
37 MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE TO
38 BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS
39 SPECIFIED IN SUBSECTION (4)(a) OF THIS SECTION;

40 (II) NEXT, FIFTY MILLION DOLLARS ANNUALLY, OR ANY LESSER
41 AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL

1 BE PAID FROM ANY LEGALLY AVAILABLE MONEY UNDER THE CONTROL OF
2 THE TRANSPORTATION COMMISSION SOLELY FOR THE PURPOSE OF
3 ALLOWING THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF
4 STATE HIGHWAYS TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE
5 AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION AND
6 SECTION 43-4-206 (1)(b)(V); AND

7 (III) THE REMAINDER OF THE AMOUNT NEEDED, IN ADDITION TO
8 THE AMOUNTS SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS
9 SECTION, TO MAKE EACH FULL PAYMENT DUE SHALL BE PAID FROM THE
10 GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY.

11 (e) EACH AGREEMENT MUST ALSO PROVIDE THAT THE
12 OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE
13 MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW
14 CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A
15 MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL
16 OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF
17 ARTICLE X OF THE STATE CONSTITUTION. IF THE STATE DOES NOT RENEW
18 A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION
19 (2)(a) OF THIS SECTION, THE SOLE SECURITY AVAILABLE TO THE LESSOR IS
20 THE PROPERTY THAT IS THE SUBJECT OF THE NONRENEWED
21 LEASE-PURCHASE AGREEMENT.

22 (f) A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY
23 SUBSECTION (2)(a) OF THIS SECTION MAY CONTAIN SUCH TERMS,
24 PROVISIONS, AND CONDITIONS AS THE STATE TREASURER, ACTING ON
25 BEHALF OF THE STATE, DEEMS APPROPRIATE, INCLUDING ALL OPTIONAL
26 TERMS; EXCEPT THAT EACH LEASE-PURCHASE AGREEMENT MUST
27 SPECIFICALLY AUTHORIZE THE STATE OR THE GOVERNING BOARD OF THE
28 APPLICABLE STATE INSTITUTION OF HIGHER EDUCATION TO RECEIVE FEE
29 TITLE TO ALL REAL AND PERSONAL PROPERTY THAT IS THE SUBJECT OF THE
30 LEASE-PURCHASE AGREEMENT ON OR BEFORE THE EXPIRATION OF THE
31 TERMS OF THE AGREEMENT.

32 (g) ANY LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED
33 BY SUBSECTION (2)(a) OF THIS SECTION MAY PROVIDE FOR THE ISSUANCE,
34 DISTRIBUTION, AND SALE OF INSTRUMENTS EVIDENCING RIGHTS TO
35 RECEIVE RENTALS AND OTHER PAYMENTS MADE AND TO BE MADE UNDER
36 THE LEASE-PURCHASE AGREEMENT. THE INSTRUMENTS MAY BE ISSUED,
37 DISTRIBUTED, OR SOLD ONLY BY THE LESSOR OR ANY PERSON DESIGNATED
38 BY THE LESSOR AND NOT BY THE STATE. THE INSTRUMENTS DO NOT
39 CREATE A RELATIONSHIP BETWEEN THE PURCHASERS OF THE INSTRUMENTS
40 AND THE STATE OR CREATE ANY OBLIGATION ON THE PART OF THE STATE
41 TO THE PURCHASERS. THE INSTRUMENTS ARE NOT NOTES, BONDS, OR ANY

1 OTHER EVIDENCE OF STATE DEBT WITHIN THE MEANING OF ANY PROVISION
2 OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING
3 THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR
4 DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE
5 STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE
6 STATE CONSTITUTION.

7 (h) INTEREST PAID UNDER A LEASE-PURCHASE AGREEMENT
8 AUTHORIZED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION,
9 INCLUDING INTEREST REPRESENTED BY THE INSTRUMENTS, IS EXEMPT
10 FROM COLORADO INCOME TAX.

11 (i) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER
12 AND THE GOVERNING BOARDS OF THE INSTITUTIONS OF HIGHER
13 EDUCATION, IS AUTHORIZED TO ENTER INTO ANCILLARY AGREEMENTS AND
14 INSTRUMENTS THAT ARE NECESSARY OR APPROPRIATE IN CONNECTION
15 WITH A LEASE-PURCHASE AGREEMENT, INCLUDING BUT NOT LIMITED TO
16 DEEDS, GROUND LEASES, SUB-LEASES, EASEMENTS, OR OTHER
17 INSTRUMENTS RELATING TO THE REAL PROPERTY ON WHICH THE FACILITIES
18 ARE LOCATED.

19 (j) THE PROVISIONS OF SECTION 24-30-202 (5)(b) DO NOT APPLY TO
20 A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY OR TO ANY
21 ANCILLARY AGREEMENT OR INSTRUMENT ENTERED INTO PURSUANT TO
22 THIS SUBSECTION (2). THE STATE CONTROLLER OR HIS OR HER DESIGNEE
23 SHALL WAIVE ANY PROVISION OF THE FISCAL RULES PROMULGATED
24 PURSUANT TO SECTION 24-30-202 (1) AND (13), THAT THE STATE
25 CONTROLLER FINDS INCOMPATIBLE OR INAPPLICABLE WITH RESPECT TO A
26 LEASE-PURCHASE AGREEMENT OR AN ANCILLARY AGREEMENT OR
27 INSTRUMENT.

28 (3) (a) BEFORE EXECUTING A LEASE-PURCHASE AGREEMENT
29 REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION, IN ORDER TO PROTECT
30 AGAINST FUTURE INTEREST RATE INCREASES, THE STATE, ACTING BY AND
31 THROUGH THE STATE TREASURER AND AT THE DISCRETION OF THE STATE
32 TREASURER, MAY ENTER INTO AN INTEREST RATE EXCHANGE AGREEMENT
33 PURSUANT TO ARTICLE 59.3 OF TITLE 11. A LEASE-PURCHASE AGREEMENT
34 EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION IS A
35 PROPOSED PUBLIC SECURITY FOR THE PURPOSES OF ARTICLE 59.3 OF TITLE
36 11. ANY PAYMENTS MADE BY THE STATE UNDER AN AGREEMENT ENTERED
37 INTO PURSUANT TO THIS SUBSECTION (3) MUST BE MADE SOLELY FROM
38 MONEY MADE AVAILABLE TO THE STATE TREASURER FROM THE EXECUTION
39 OF A LEASE-PURCHASE AGREEMENT OR FROM MONEY DESCRIBED IN
40 SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION.

41 (b) ANY AGREEMENT ENTERED INTO PURSUANT TO THIS

1 SUBSECTION (3) MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE
2 STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY
3 PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR
4 LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE
5 FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION
6 OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF
7 THE STATE CONSTITUTION.

8 (c) ANY MONEY RECEIVED BY THE STATE UNDER AN AGREEMENT
9 ENTERED INTO PURSUANT TO THIS SUBSECTION (3) SHALL BE USED TO
10 MAKE PAYMENTS ON LEASE-PURCHASE AGREEMENTS ENTERED INTO
11 PURSUANT TO SUBSECTION (2) OF THIS SECTION OR TO PAY THE COSTS OF
12 THE PROJECT FOR WHICH A LEASE-PURCHASE AGREEMENT WAS EXECUTED.

13 (4) PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS
14 REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION SHALL BE USED AS
15 FOLLOWS:

16 (a) (I) THE FIRST ONE HUNDRED TWENTY MILLION DOLLARS OF
17 THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS ISSUED DURING THE
18 2018-19 STATE FISCAL YEAR SHALL BE USED FOR CONTROLLED
19 MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE AS
20 FOLLOWS:

21 (A) THIRTEEN MILLION SIX THOUSAND EIGHTY-ONE DOLLARS FOR
22 LEVEL I CONTROLLED MAINTENANCE;

23 (B) SIXTY MILLION SIX HUNDRED THIRTY-SEVEN THOUSAND THREE
24 HUNDRED FIVE DOLLARS FOR LEVEL II CONTROLLED MAINTENANCE;

25 (C) FORTY MILLION TWO HUNDRED NINE THOUSAND FIVE HUNDRED
26 THIRTY-FIVE DOLLARS FOR LEVEL III CONTROLLED MAINTENANCE; AND

27 (D) THE REMAINDER FOR CAPITAL CONSTRUCTION PROJECTS AS
28 PRIORITIZED BY THE CAPITAL DEVELOPMENT COMMITTEE.

29 (II) THE CAPITAL DEVELOPMENT COMMITTEE SHALL POST THE LIST
30 OF SPECIFIC CONTROLLED MAINTENANCE PROJECTS AND THE COST OF EACH
31 PROJECT FUNDED PURSUANT TO SUBSECTION (4)(a)(I)(A), (4)(a)(I)(B), OR
32 (4)(a)(I)(C) OF THIS SECTION ON ITS OFFICIAL WEBSITE NO LATER THAN
33 MAY 11, 2017.

34 (b) THE REMAINDER OF THE PROCEEDS SHALL BE CREDITED TO THE
35 STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 AND USED BY THE
36 DEPARTMENT OF TRANSPORTATION IN ACCORDANCE WITH SECTION
37 43-4-206 (1)(b)(V).

38 **SECTION 13.** In Colorado Revised Statutes, 25.5-3-108, **amend**
39 (17) as follows:

40 **25.5-3-108. Responsibility of the department of health care**

1 **policy and financing - provider reimbursement.** (17) Subject to
2 adequate funding BEING made available under ~~section 25.5-4-402.3~~
3 SECTION 25.5-4-402.4, the ~~state department~~ COLORADO HEALTHCARE
4 AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION
5 25.5-4-402.4 (3) shall increase hospital reimbursements up to one
6 hundred percent of hospital costs for providing medical care under the
7 program.

8 **SECTION 14.** In Colorado Revised Statutes, 25.5-4-209, **amend**
9 (1)(b); and **add** (1)(c) and (1)(d) as follows:

10 **25.5-4-209. Payments by third parties - copayments by**
11 **recipients - review - appeal - children's waiting list reduction fund.**

12 (1) (b) Subject to any limitations imposed by Title XIX AND THE
13 REQUIREMENTS SET FORTH IN SUBSECTION (1)(c) OF THIS SECTION, a
14 recipient ~~shall be required to~~ MUST pay at the time of service a portion of
15 the cost of any medical benefit rendered to the recipient or to the
16 recipient's dependents pursuant to this ~~article~~ ARTICLE 4 or article 5 or 6
17 of this ~~title~~ TITLE 25.5, as determined by ~~rule~~ RULES of the state
18 department.

19 (c) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(c)(II)
20 OF THIS SECTION, ON AND AFTER JANUARY 1, 2018, FOR PHARMACY AND
21 FOR HOSPITAL OUTPATIENT SERVICES, INCLUDING URGENT CARE CENTERS
22 AND FACILITIES AND EMERGENCY SERVICES, THE RULES OF THE STATE
23 DEPARTMENT REQUIRED BY SUBSECTION (1)(b) OF THIS SECTION MUST
24 REQUIRE THE RECIPIENT TO PAY:

25 (A) FOR PHARMACY, AT LEAST DOUBLE THE AVERAGE AMOUNT
26 PAID BY RECIPIENTS IN STATE FISCAL YEAR 2015-16; OR

27 (B) FOR HOSPITAL OUTPATIENT SERVICES, AT LEAST DOUBLE THE
28 AMOUNT REQUIRED TO BE PAID AS SPECIFIED IN THE RULES AS OF JANUARY
29 1, 2017.

30 (II) FOR BOTH PHARMACY AND HOSPITAL OUTPATIENT SERVICES,
31 THE AMOUNT REQUIRED TO BE PAID BY THE RECIPIENT SHALL NOT EXCEED
32 ANY SPECIFIED MAXIMUM DOLLAR AMOUNT ALLOWED BY FEDERAL LAW OR
33 REGULATIONS AS OF JANUARY 1, 2017.

34 (d) THE STATE DEPARTMENT SHALL EVALUATE OPTIONS TO
35 EXEMPT INDIVIDUALS WHO ARE QUALIFIED FOR INSTITUTIONAL CARE BUT
36 ARE INSTEAD ENROLLED IN HOME- AND COMMUNITY-BASED SERVICE
37 WAIVERS FROM THE INCREASED PAYMENT REQUIREMENTS SPECIFIED IN
38 SUBSECTION (1)(c) OF THIS SECTION.

39 **SECTION 15.** In Colorado Revised Statutes, 25.5-4-402, **amend**
40 (3)(a) as follows:

41 **25.5-4-402. Providers - hospital reimbursement - rules.**

1 (3) (a) In addition to the reimbursement rate process described in
2 subsection (1) of this section and subject to adequate funding BEING made
3 available pursuant to ~~section 25.5-4-402.3~~ SECTION 25.5-4-402.4, the state
4 ~~department~~ COLORADO HEALTHCARE AFFORDABILITY AND
5 SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) shall
6 pay an additional amount based upon performance to those hospitals that
7 provide services that improve health care outcomes for their patients. ~~This~~
8 ~~amount shall be determined by~~ The state department SHALL DETERMINE
9 THIS AMOUNT based upon nationally recognized performance measures
10 established in rules adopted by the state board. The state quality standards
11 shall MUST be consistent with federal quality standards published by an
12 organization with expertise in health care quality, including but not
13 limited to, the centers for medicare and medicaid services, the agency for
14 healthcare research and quality, or the national quality forum.

15 **SECTION 16.** In Colorado Revised Statutes, **repeal as amended**
16 **by Senate Bill 17-256** 25.5-4-402.3.

17 **SECTION 17.** In Colorado Revised Statutes, **add** 25.5-4-402.4
18 as follows:

19 **25.5-4-402.4. Hospitals - healthcare affordability and**
20 **sustainability fee - legislative declaration - Colorado healthcare**
21 **affordability and sustainability enterprise - federal waiver - fund**
22 **created - rules. (1) Short title.** THE SHORT TITLE OF THIS SECTION IS THE
23 "COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY
24 ENTERPRISE ACT OF 2017".

25 (2) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY
26 FINDS AND DECLARES THAT:

27 (a) THE STATE AND THE PROVIDERS OF PUBLICLY FUNDED MEDICAL
28 SERVICES, AND HOSPITALS IN PARTICULAR, SHARE A COMMON
29 COMMITMENT TO COMPREHENSIVE HEALTH CARE REFORM;

30 (b) HOSPITALS WITHIN THE STATE INCUR SIGNIFICANT COSTS BY
31 PROVIDING UNCOMPENSATED EMERGENCY DEPARTMENT CARE AND OTHER
32 UNCOMPENSATED MEDICAL SERVICES TO LOW-INCOME AND UNINSURED
33 POPULATIONS;

34 (c) THIS SECTION IS ENACTED AS PART OF A COMPREHENSIVE
35 HEALTH CARE REFORM AND IS INTENDED TO PROVIDE THE FOLLOWING
36 SERVICES AND BENEFITS TO HOSPITALS AND INDIVIDUALS:

37 (I) PROVIDING A PAYER SOURCE FOR SOME LOW-INCOME AND
38 UNINSURED POPULATIONS WHO MAY OTHERWISE BE CARED FOR IN
39 EMERGENCY DEPARTMENTS AND OTHER SETTINGS IN WHICH
40 UNCOMPENSATED CARE IS PROVIDED;

41 (II) REDUCING THE UNDERPAYMENT TO COLORADO HOSPITALS

1 PARTICIPATING IN PUBLICLY FUNDED HEALTH INSURANCE PROGRAMS;
2 (III) REDUCING THE NUMBER OF PERSONS IN COLORADO WHO ARE
3 WITHOUT HEALTH CARE BENEFITS;
4 (IV) REDUCING THE NEED OF HOSPITALS AND OTHER HEALTH CARE
5 PROVIDERS TO SHIFT THE COST OF PROVIDING UNCOMPENSATED CARE TO
6 OTHER PAYERS;
7 (V) EXPANDING ACCESS TO HIGH-QUALITY, AFFORDABLE HEALTH
8 CARE FOR LOW-INCOME AND UNINSURED POPULATIONS; AND
9 (VI) PROVIDING THE ADDITIONAL BUSINESS SERVICES SPECIFIED
10 IN SUBSECTION (4)(a)(IV) OF THIS SECTION TO HOSPITALS THAT PAY THE
11 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND
12 COLLECTED AS AUTHORIZED BY SUBSECTION (4) OF THIS SECTION BY THE
13 COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY
14 ENTERPRISE CREATED IN SUBSECTION (3)(a) OF THIS SECTION;
15 (d) THE COLORADO HEALTHCARE AFFORDABILITY AND
16 SUSTAINABILITY ENTERPRISE PROVIDES BUSINESS SERVICES TO HOSPITALS
17 WHEN, IN EXCHANGE FOR PAYMENT OF HEALTHCARE AFFORDABILITY AND
18 SUSTAINABILITY FEES BY HOSPITALS, IT:
19 (I) OBTAINS FEDERAL MATCHING MONEY AND RETURNS BOTH THE
20 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE FEDERAL
21 MATCHING MONEY TO HOSPITALS TO INCREASE REIMBURSEMENT RATES TO
22 HOSPITALS FOR PROVIDING MEDICAL CARE UNDER THE STATE MEDICAL
23 ASSISTANCE PROGRAM AND THE COLORADO INDIGENT CARE PROGRAM
24 AND TO INCREASE THE NUMBER OF INDIVIDUALS COVERED BY PUBLIC
25 MEDICAL ASSISTANCE; AND
26 (II) PROVIDES ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS
27 SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION;
28 (e) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF
29 THE STATE TO ACKNOWLEDGE THAT BY PROVIDING THE BUSINESS
30 SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS
31 SECTION, THE COLORADO HEALTHCARE AFFORDABILITY AND
32 SUSTAINABILITY ENTERPRISE ENGAGES IN AN ACTIVITY CONDUCTED IN THE
33 PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD AND THEREFORE OPERATES
34 AS A BUSINESS;
35 (f) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
36 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
37 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
38 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
39 X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL
40 ASSEMBLY THAT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY
41 FEE CHARGED AND COLLECTED BY THE COLORADO HEALTHCARE

1 AFFORDABILITY AND SUSTAINABILITY ENTERPRISE IS A FEE, NOT A TAX,
2 BECAUSE THE FEE IS IMPOSED FOR THE SPECIFIC PURPOSES OF ALLOWING
3 THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE BUSINESS
4 SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS
5 SECTION TO HOSPITALS THAT PAY THE FEE AND IS COLLECTED AT RATES
6 THAT ARE REASONABLY CALCULATED BASED ON THE BENEFITS RECEIVED
7 BY THOSE HOSPITALS; AND

8 (g) SO LONG AS THE COLORADO HEALTHCARE AFFORDABILITY AND
9 SUSTAINABILITY ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR PURPOSES
10 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUES
11 FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE
12 CHARGED AND COLLECTED BY THE ENTERPRISE ARE NOT STATE FISCAL
13 YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE
14 REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DO NOT
15 COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED
16 BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS
17 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I).

18 (3) (a) THE COLORADO HEALTHCARE AFFORDABILITY AND
19 SUSTAINABILITY ENTERPRISE, REFERRED TO IN THIS SECTION AS THE
20 "ENTERPRISE", IS CREATED. THE ENTERPRISE IS AND OPERATES AS A
21 GOVERNMENT-OWNED BUSINESS WITHIN THE STATE DEPARTMENT FOR THE
22 PURPOSE OF CHARGING AND COLLECTING THE HEALTHCARE
23 AFFORDABILITY AND SUSTAINABILITY FEE, LEVERAGING HEALTHCARE
24 AFFORDABILITY AND SUSTAINABILITY FEE REVENUE TO OBTAIN FEDERAL
25 MATCHING MONEY, AND UTILIZING AND DEPLOYING THE HEALTHCARE
26 AFFORDABILITY AND SUSTAINABILITY FEE REVENUE AND FEDERAL
27 MATCHING MONEY TO PROVIDE THE BUSINESS SERVICES SPECIFIED IN
28 SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION TO HOSPITALS THAT
29 PAY THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE.

30 (b) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES
31 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT
32 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS
33 THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL
34 COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT
35 CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3)(b), THE
36 ENTERPRISE IS NOT SUBJECT TO ANY PROVISIONS OF SECTION 20 OF
37 ARTICLE X OF THE STATE CONSTITUTION.

38 (c) (I) THE REPEAL OF THE HOSPITAL PROVIDER FEE PROGRAM, AS
39 IT EXISTED PURSUANT TO SECTION 25.5-4-402.3 BEFORE ITS REPEAL,
40 EFFECTIVE JULY 1, 2017, BY SENATE BILL 17-267, ENACTED IN 2017, AND
41 THE CREATION OF THE COLORADO HEALTHCARE AFFORDABILITY AND

1 SUSTAINABILITY ENTERPRISE AS A NEW ENTERPRISE TO CHARGE AND
2 COLLECT A NEW HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE
3 AS AUTHORIZED BY SUBSECTION (4) OF THIS SECTION AND PROVIDE
4 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE-FUNDED BUSINESS
5 SERVICES TO HOSPITALS THAT REPLACE AND SUPPLEMENT SERVICES
6 PREVIOUSLY FUNDED BY HOSPITAL PROVIDER FEES IS THE CREATION OF A
7 NEW GOVERNMENT-OWNED BUSINESS THAT PROVIDES BUSINESS SERVICES
8 TO HOSPITALS AS A NEW ENTERPRISE FOR PURPOSES OF SECTION 20 OF
9 ARTICLE X OF THE STATE CONSTITUTION, DOES NOT CONSTITUTE THE
10 QUALIFICATION OF AN EXISTING GOVERNMENT-OWNED BUSINESS AS AN
11 ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE
12 CONSTITUTION OR SECTION 24-77-103.6 (6)(b)(II), AND, THEREFORE, DOES
13 NOT REQUIRE OR AUTHORIZE ADJUSTMENT OF THE STATE FISCAL YEAR
14 SPENDING LIMIT CALCULATED PURSUANT TO SECTION 20 OF ARTICLE X OF
15 THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS
16 DEFINED IN SECTION 24-77-103.6 (6)(b)(I).

17 (II) NOTWITHSTANDING SUBSECTION (3)(c)(I) OF THIS SECTION,
18 BECAUSE THE REPEAL OF THE HOSPITAL PROVIDER FEE PROGRAM, AS IT
19 EXISTED PURSUANT TO SECTION 25.5-4-402.3 BEFORE ITS REPEAL BY
20 SENATE BILL 17-267, ENACTED IN 2017, WILL ALLOW THE STATE TO SPEND
21 MORE GENERAL FUND MONEY FOR GENERAL GOVERNMENTAL PURPOSES
22 THAN IT WOULD OTHERWISE BE ABLE TO SPEND BELOW THE EXCESS STATE
23 REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I), IT IS
24 APPROPRIATE TO RESTRAIN THE GROWTH OF GOVERNMENT BY LOWERING
25 THE BASE AMOUNT USED TO CALCULATE THE EXCESS STATE REVENUES CAP
26 FOR THE 2017-18 STATE FISCAL YEAR BY TWO HUNDRED MILLION
27 DOLLARS.

28 (d) THE ENTERPRISE'S PRIMARY POWERS AND DUTIES ARE:

29 (I) TO CHARGE AND COLLECT THE HEALTHCARE AFFORDABILITY
30 AND SUSTAINABILITY FEE AS SPECIFIED IN SUBSECTION (4) OF THIS
31 SECTION;

32 (II) TO LEVERAGE HEALTHCARE AFFORDABILITY AND
33 SUSTAINABILITY FEE REVENUE COLLECTED TO OBTAIN FEDERAL MATCHING
34 MONEY, WORKING WITH OR THROUGH THE STATE DEPARTMENT AND THE
35 STATE BOARD TO THE EXTENT REQUIRED BY FEDERAL LAW OR OTHERWISE
36 NECESSARY;

37 (III) TO EXPEND HEALTHCARE AFFORDABILITY AND
38 SUSTAINABILITY FEE REVENUE, MATCHING FEDERAL MONEY, AND ANY
39 OTHER MONEY FROM THE HEALTHCARE AFFORDABILITY AND
40 SUSTAINABILITY FEE CASH FUND AS SPECIFIED IN SUBSECTIONS (4) AND (5)
41 OF THIS SECTION;

1 (IV) TO ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES OF
2 THE ENTERPRISE;

3 (V) TO ENTER INTO AGREEMENTS WITH THE STATE DEPARTMENT
4 TO THE EXTENT NECESSARY TO COLLECT AND EXPEND HEALTHCARE
5 AFFORDABILITY AND SUSTAINABILITY FEE REVENUE;

6 (VI) TO ENGAGE THE SERVICES OF PRIVATE PERSONS OR ENTITIES
7 SERVING AS CONTRACTORS, CONSULTANTS, AND LEGAL COUNSEL FOR
8 PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY
9 OTHER SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE
10 ENTERPRISE, INCLUDING THE PROVISION OF ADDITIONAL BUSINESS
11 SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS
12 SECTION; AND

13 (VII) TO ADOPT AND AMEND OR REPEAL POLICIES FOR THE
14 REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS
15 CONSISTENT WITH THE PROVISIONS OF THIS SECTION.

16 (e) THE ENTERPRISE SHALL EXERCISE ITS POWERS AND PERFORM
17 ITS DUTIES AS IF THE SAME WERE TRANSFERRED TO THE STATE
18 DEPARTMENT BY A **TYPE 2** TRANSFER, AS DEFINED IN SECTION 24-1-105.

19 (4) **Healthcare affordability and sustainability fee.** (a) FOR THE
20 FISCAL YEAR COMMENCING JULY 1, 2017, AND FOR EACH FISCAL YEAR
21 THEREAFTER, THE ENTERPRISE IS AUTHORIZED TO CHARGE AND COLLECT
22 A HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, AS DESCRIBED
23 IN 42 CFR 433.68 (b), ON OUTPATIENT AND INPATIENT SERVICES
24 PROVIDED BY ALL LICENSED OR CERTIFIED HOSPITALS, REFERRED TO IN
25 THIS SECTION AS "HOSPITALS", FOR THE PURPOSE OF OBTAINING FEDERAL
26 FINANCIAL PARTICIPATION UNDER THE STATE MEDICAL ASSISTANCE
27 PROGRAM AS DESCRIBED IN THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS
28 TITLE 25.5, REFERRED TO IN THIS SECTION AS THE "STATE MEDICAL
29 ASSISTANCE PROGRAM", AND THE COLORADO INDIGENT CARE PROGRAM
30 DESCRIBED IN PART 1 OF ARTICLE 3 OF THIS TITLE 25.5, REFERRED TO IN
31 THIS SECTION AS THE "COLORADO INDIGENT CARE PROGRAM". THE
32 ENTERPRISE SHALL USE THE HEALTHCARE AFFORDABILITY AND
33 SUSTAINABILITY FEE REVENUE TO:

34 (I) PROVIDE A BUSINESS SERVICE TO HOSPITALS BY INCREASING
35 REIMBURSEMENT TO HOSPITALS FOR PROVIDING MEDICAL CARE UNDER:

36 (A) THE STATE MEDICAL ASSISTANCE PROGRAM; AND

37 (B) THE COLORADO INDIGENT CARE PROGRAM;

38 (II) PROVIDE A BUSINESS SERVICE TO HOSPITALS BY INCREASING
39 THE NUMBER OF INDIVIDUALS COVERED BY PUBLIC MEDICAL ASSISTANCE
40 AND THEREBY REDUCING THE AMOUNT OF UNCOMPENSATED CARE THAT
41 THE HOSPITALS MUST PROVIDE;

1 (III) PAY THE ADMINISTRATIVE COSTS TO THE ENTERPRISE IN
2 IMPLEMENTING AND ADMINISTERING THIS SECTION SUBJECT TO THE
3 LIMITATION THAT ADMINISTRATIVE COSTS OF THE ENTERPRISE ARE
4 LIMITED TO THREE PERCENT OF THE ENTERPRISE'S EXPENDITURES BASED
5 ON A METHODOLOGY APPROVED BY THE OFFICE OF STATE PLANNING AND
6 BUDGETING AND THE STAFF OF THE JOINT BUDGET COMMITTEE OF THE
7 GENERAL ASSEMBLY; AND

8 (IV) PROVIDE OR CONTRACT FOR OR ARRANGE THE PROVISION OF
9 ADDITIONAL BUSINESS SERVICES TO HOSPITALS BY:

10 (A) CONSULTING WITH HOSPITALS TO HELP THEM IMPROVE BOTH
11 COST EFFICIENCY AND PATIENT SAFETY IN PROVIDING MEDICAL SERVICES
12 AND THE CLINICAL EFFECTIVENESS OF THOSE SERVICES;

13 (B) ADVISING HOSPITALS REGARDING POTENTIAL CHANGES TO
14 FEDERAL AND STATE LAWS AND REGULATIONS THAT GOVERN THE
15 PROVISION OF AND REIMBURSEMENT PAID FOR MEDICAL SERVICES UNDER
16 THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND
17 ARTICLES 5 AND 6 OF THIS TITLE 25.5;

18 (C) PROVIDING COORDINATED SERVICES TO HOSPITALS TO HELP
19 THEM ADAPT AND TRANSITION TO ANY NEW OR MODIFIED PERFORMANCE
20 TRACKING AND PAYMENT SYSTEMS FOR THE PROGRAMS ADMINISTERED
21 PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5,
22 WHICH MAY INCLUDE DATA SHARING, TELEHEALTH COORDINATION AND
23 SUPPORT, ESTABLISHMENT OF PERFORMANCE METRICS, BENCHMARKING TO
24 SUCH METRICS, AND CLINICAL AND ADMINISTRATIVE PROCESS CONSULTING
25 AND OTHER APPROPRIATE SERVICES;

26 (D) PROVIDING ANY OTHER SERVICES TO HOSPITALS THAT AID
27 THEM IN EFFICIENTLY AND EFFECTIVELY PARTICIPATING IN THE PROGRAMS
28 ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF
29 THIS TITLE 25.5; AND

30 (E) PROVIDING FUNDING FOR, AND IN COOPERATION WITH THE
31 STATE DEPARTMENT AND HOSPITALS SUPPORTING THE IMPLEMENTATION
32 OF, A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS
33 PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION.

34 (b) THE ENTERPRISE SHALL RECOMMEND FOR APPROVAL AND
35 ESTABLISHMENT BY THE STATE BOARD THE AMOUNT OF THE HEALTHCARE
36 AFFORDABILITY AND SUSTAINABILITY FEE THAT IT INTENDS TO CHARGE
37 AND COLLECT. THE STATE BOARD MUST ESTABLISH THE FINAL AMOUNT OF
38 THE FEE BY RULES PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF
39 TITLE 24. THE STATE BOARD SHALL NOT ESTABLISH ANY AMOUNT THAT
40 EXCEEDS THE FEDERAL LIMIT FOR SUCH FEES. THE STATE BOARD MAY
41 DEVIATE FROM THE RECOMMENDATIONS OF THE ENTERPRISE, BUT SHALL

1 EXPRESS IN WRITING THE REASONS FOR ANY DEVIATIONS. IN ESTABLISHING
2 THE AMOUNT OF THE FEE AND IN PROMULGATING THE RULES GOVERNING
3 THE FEE, THE STATE BOARD SHALL:

4 (I) CONSIDER RECOMMENDATIONS OF THE ENTERPRISE;
5 (II) ESTABLISH THE AMOUNT OF THE HEALTHCARE AFFORDABILITY
6 AND SUSTAINABILITY FEE SO THAT THE AMOUNT COLLECTED FROM THE FEE
7 AND FEDERAL MATCHING FUNDS ASSOCIATED WITH THE FEE ARE
8 SUFFICIENT TO PAY FOR THE ITEMS DESCRIBED IN SUBSECTION (4)(a) OF
9 THIS SECTION, BUT NOTHING IN THIS SUBSECTION (4)(b)(II) REQUIRES THE
10 STATE BOARD TO INCREASE THE FEE ABOVE THE AMOUNT RECOMMENDED
11 BY THE ENTERPRISE; AND

12 (III) FOR THE 2017-18 FISCAL YEAR, ESTABLISH THE AMOUNT OF
13 THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE SO THAT THE
14 AMOUNT COLLECTED FROM THE FEE IS APPROXIMATELY EQUAL TO THE
15 SUM OF THE AMOUNTS OF THE APPROPRIATIONS SPECIFIED FOR THE FEE IN
16 THE GENERAL APPROPRIATION ACT, SENATE BILL 17-254, ENACTED IN
17 2017, AND ANY OTHER SUPPLEMENTAL APPROPRIATION ACT.

18 (c) (I) IN ACCORDANCE WITH THE REDISTRIBUTIVE METHOD SET
19 FORTH IN 42 CFR 433.68 (e)(1) AND (e)(2), THE ENTERPRISE, ACTING IN
20 CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE
21 DEPARTMENT IF REQUIRED BY FEDERAL LAW, MAY SEEK A WAIVER FROM
22 THE BROAD-BASED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY
23 FEE REQUIREMENT OR THE UNIFORM HEALTHCARE AFFORDABILITY AND
24 SUSTAINABILITY FEE REQUIREMENT, OR BOTH. IN ADDITION, THE
25 ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH
26 THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, SHALL SEEK ANY
27 FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE
28 STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF
29 A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS
30 PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION. SUBJECT TO
31 FEDERAL APPROVAL AND TO MINIMIZE THE FINANCIAL IMPACT ON CERTAIN
32 HOSPITALS, THE ENTERPRISE MAY EXEMPT FROM PAYMENT OF THE
33 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CERTAIN TYPES OF
34 HOSPITALS, INCLUDING BUT NOT LIMITED TO:

35 (A) PSYCHIATRIC HOSPITALS, AS LICENSED BY THE DEPARTMENT
36 OF PUBLIC HEALTH AND ENVIRONMENT;

37 (B) HOSPITALS THAT ARE LICENSED AS GENERAL HOSPITALS AND
38 CERTIFIED AS LONG-TERM CARE HOSPITALS BY THE DEPARTMENT OF
39 PUBLIC HEALTH AND ENVIRONMENT;

40 (C) CRITICAL ACCESS HOSPITALS THAT ARE LICENSED AS GENERAL
41 HOSPITALS AND ARE CERTIFIED BY THE DEPARTMENT OF PUBLIC HEALTH

1 AND ENVIRONMENT UNDER 42 CFR PART 485, SUBPART F;
2 (D) INPATIENT REHABILITATION FACILITIES; OR
3 (E) HOSPITALS SPECIFIED FOR EXEMPTION UNDER 42 CFR 433.68
4 (e).
5 (II) IN DETERMINING WHETHER A HOSPITAL MAY BE EXCLUDED,
6 THE ENTERPRISE SHALL USE ONE OR MORE OF THE FOLLOWING CRITERIA:
7 (A) A HOSPITAL THAT IS LOCATED IN A RURAL AREA;
8 (B) A HOSPITAL WITH WHICH THE STATE DEPARTMENT DOES NOT
9 CONTRACT TO PROVIDE SERVICES UNDER THE STATE MEDICAL ASSISTANCE
10 PROGRAM;
11 (C) A HOSPITAL WHOSE INCLUSION OR EXCLUSION WOULD NOT
12 SIGNIFICANTLY AFFECT THE NET BENEFIT TO HOSPITALS PAYING THE
13 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; OR
14 (D) A HOSPITAL THAT MUST BE INCLUDED TO RECEIVE FEDERAL
15 APPROVAL.
16 (III) THE ENTERPRISE MAY REDUCE THE AMOUNT OF THE
17 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE FOR CERTAIN
18 HOSPITALS TO OBTAIN FEDERAL APPROVAL AND TO MINIMIZE THE
19 FINANCIAL IMPACT ON CERTAIN HOSPITALS. IN DETERMINING FOR WHICH
20 HOSPITALS THE ENTERPRISE MAY REDUCE THE AMOUNT OF THE
21 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, THE ENTERPRISE
22 SHALL USE ONE OR MORE OF THE FOLLOWING CRITERIA:
23 (A) THE HOSPITAL IS A TYPE OF HOSPITAL DESCRIBED IN
24 SUBSECTION (4)(c)(I) OF THIS SECTION;
25 (B) THE HOSPITAL IS LOCATED IN A RURAL AREA;
26 (C) THE HOSPITAL SERVES A HIGHER PERCENTAGE THAN THE
27 AVERAGE HOSPITAL OF PERSONS COVERED BY THE STATE MEDICAL
28 ASSISTANCE PROGRAM, MEDICARE, OR COMMERCIAL INSURANCE OR
29 PERSONS ENROLLED IN A MANAGED CARE ORGANIZATION;
30 (D) THE HOSPITAL DOES NOT CONTRACT WITH THE STATE
31 DEPARTMENT TO PROVIDE SERVICES UNDER THE STATE MEDICAL
32 ASSISTANCE PROGRAM;
33 (E) IF THE HOSPITAL PAID A REDUCED HEALTHCARE
34 AFFORDABILITY AND SUSTAINABILITY FEE, THE REDUCED FEE WOULD NOT
35 SIGNIFICANTLY AFFECT THE NET BENEFIT TO HOSPITALS PAYING THE
36 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; OR
37 (F) THE HOSPITAL IS REQUIRED NOT TO PAY A REDUCED
38 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS A CONDITION
39 OF FEDERAL APPROVAL.
40 (IV) THE ENTERPRISE MAY CHANGE HOW IT PAYS HOSPITAL
41 REIMBURSEMENT OR QUALITY INCENTIVE PAYMENTS, OR BOTH, IN WHOLE

1 OR IN PART, UNDER THE AUTHORITY OF A FEDERAL WAIVER IF THE TOTAL
2 REIMBURSEMENT TO HOSPITALS IS EQUAL TO OR ABOVE THE FEDERAL
3 UPPER PAYMENT LIMIT CALCULATION UNDER THE WAIVER.

4 (d) THE ENTERPRISE MAY ALTER THE PROCESS PRESCRIBED IN THIS
5 SUBSECTION (4) TO THE EXTENT NECESSARY TO MEET THE FEDERAL
6 REQUIREMENTS AND TO OBTAIN FEDERAL APPROVAL.

7 (e) (I) THE ENTERPRISE SHALL ESTABLISH POLICIES ON THE
8 CALCULATION, ASSESSMENT, AND TIMING OF THE HEALTHCARE
9 AFFORDABILITY AND SUSTAINABILITY FEE. THE ENTERPRISE SHALL ASSESS
10 THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE ON A
11 SCHEDULE TO BE SET BY THE ENTERPRISE BOARD AS PROVIDED IN
12 SUBSECTION (7)(d) OF THIS SECTION. THE PERIODIC HEALTHCARE
13 AFFORDABILITY AND SUSTAINABILITY FEE PAYMENTS FROM A HOSPITAL
14 AND THE ENTERPRISE'S REIMBURSEMENT TO THE HOSPITAL UNDER
15 SUBSECTIONS (5)(b)(I) AND (5)(b)(II) OF THIS SECTION ARE DUE AS
16 NEARLY SIMULTANEOUSLY AS FEASIBLE; EXCEPT THAT THE ENTERPRISE'S
17 REIMBURSEMENT TO THE HOSPITAL IS DUE NO MORE THAN TWO DAYS
18 AFTER THE PERIODIC HEALTHCARE AFFORDABILITY AND SUSTAINABILITY
19 FEE PAYMENT IS RECEIVED FROM THE HOSPITAL. THE HEALTHCARE
20 AFFORDABILITY AND SUSTAINABILITY FEE MUST BE IMPOSED ON EACH
21 HOSPITAL EVEN IF MORE THAN ONE HOSPITAL IS OWNED BY THE SAME
22 ENTITY. THE FEE MUST BE PRORATED AND ADJUSTED FOR THE EXPECTED
23 VOLUME OF SERVICE FOR ANY YEAR IN WHICH A HOSPITAL OPENS OR
24 CLOSES.

25 (II) THE ENTERPRISE IS AUTHORIZED TO REFUND ANY UNUSED
26 PORTION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE.
27 FOR ANY PORTION OF THE HEALTHCARE AFFORDABILITY AND
28 SUSTAINABILITY FEE THAT HAS BEEN COLLECTED BY THE ENTERPRISE BUT
29 FOR WHICH THE ENTERPRISE HAS NOT RECEIVED FEDERAL MATCHING
30 FUNDS, THE ENTERPRISE SHALL REFUND BACK TO THE HOSPITAL THAT PAID
31 THE FEE THE AMOUNT OF THAT PORTION OF THE FEE WITHIN FIVE BUSINESS
32 DAYS AFTER THE FEE IS COLLECTED.

33 (III) THE ENTERPRISE SHALL ESTABLISH REQUIREMENTS FOR THE
34 REPORTS THAT HOSPITALS MUST SUBMIT TO THE ENTERPRISE TO ALLOW
35 THE ENTERPRISE TO CALCULATE THE AMOUNT OF THE HEALTHCARE
36 AFFORDABILITY AND SUSTAINABILITY FEE. NOTWITHSTANDING THE
37 PROVISIONS OF PART 2 OF ARTICLE 72 OF TITLE 24 OR SUBSECTION (7)(f)
38 OF THIS SECTION, INFORMATION PROVIDED TO THE ENTERPRISE PURSUANT
39 TO THIS SECTION IS CONFIDENTIAL AND IS NOT A PUBLIC RECORD.
40 NONETHELESS, THE ENTERPRISE MAY PREPARE AND RELEASE SUMMARIES
41 OF THE REPORTS TO THE PUBLIC.

1 (f) A HOSPITAL SHALL NOT INCLUDE ANY AMOUNT OF THE
2 HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS A SEPARATE
3 LINE ITEM IN ITS BILLING STATEMENTS.

4 (g) THE STATE BOARD SHALL PROMULGATE ANY RULES PURSUANT
5 TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE
6 24, NECESSARY FOR THE ADMINISTRATION AND IMPLEMENTATION OF THIS
7 SECTION. PRIOR TO SUBMITTING ANY PROPOSED RULES CONCERNING THE
8 ADMINISTRATION OR IMPLEMENTATION OF THE HEALTHCARE
9 AFFORDABILITY AND SUSTAINABILITY FEE TO THE STATE BOARD, THE
10 ENTERPRISE SHALL CONSULT WITH THE STATE BOARD ON THE PROPOSED
11 RULES AS SPECIFIED IN SUBSECTION (7)(d) OF THIS SECTION.

12 (5) **Healthcare affordability and sustainability fee cash fund.**

13 (a) ANY HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE
14 COLLECTED PURSUANT TO THIS SECTION BY THE ENTERPRISE MUST BE
15 TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE FEE TO
16 THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH FUND,
17 WHICH FUND IS HEREBY CREATED AND REFERRED TO IN THIS SECTION AS
18 THE "FUND". THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
19 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
20 FUND TO THE FUND. THE STATE TREASURER SHALL INVEST ANY MONEY IN
21 THE FUND NOT EXPENDED FOR THE PURPOSES SPECIFIED IN SUBSECTION
22 (5)(b) OF THIS SECTION AS PROVIDED BY LAW. MONEY IN THE FUND SHALL
23 NOT BE TRANSFERRED TO ANY OTHER FUND AND SHALL NOT BE USED FOR
24 ANY PURPOSE OTHER THAN THE PURPOSES SPECIFIED IN THIS SUBSECTION
25 (5) AND IN SUBSECTION (4) OF THIS SECTION.

26 (b) ALL MONEY IN THE FUND IS SUBJECT TO FEDERAL MATCHING AS
27 AUTHORIZED UNDER FEDERAL LAW AND IS CONTINUOUSLY APPROPRIATED
28 TO THE ENTERPRISE FOR THE FOLLOWING PURPOSES:

29 (I) TO MAXIMIZE THE INPATIENT AND OUTPATIENT HOSPITAL
30 REIMBURSEMENTS TO UP TO THE UPPER PAYMENT LIMITS AS DEFINED IN 42
31 CFR 447.272 AND 42 CFR 447.321;

32 (II) TO INCREASE HOSPITAL REIMBURSEMENTS UNDER THE
33 COLORADO INDIGENT CARE PROGRAM TO UP TO ONE HUNDRED PERCENT
34 OF THE HOSPITAL'S COSTS OF PROVIDING MEDICAL CARE UNDER THE
35 PROGRAM;

36 (III) TO PAY THE QUALITY INCENTIVE PAYMENTS PROVIDED IN
37 SECTION 25.5-4-402 (3);

38 (IV) SUBJECT TO AVAILABLE REVENUE FROM THE HEALTHCARE
39 AFFORDABILITY AND SUSTAINABILITY FEE AND FEDERAL MATCHING
40 FUNDS, TO EXPAND ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE BY:

41 (A) INCREASING THE ELIGIBILITY LEVEL FOR PARENTS AND

1 CARETAKER RELATIVES OF CHILDREN WHO ARE ELIGIBLE FOR MEDICAL
2 ASSISTANCE, PURSUANT TO SECTION 25.5-5-201 (1)(m), FROM SIXTY-ONE
3 PERCENT TO ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL
4 POVERTY LINE;

5 (B) INCREASING THE ELIGIBILITY LEVEL FOR CHILDREN AND
6 PREGNANT WOMEN UNDER THE CHILDREN'S BASIC HEALTH PLAN TO UP TO
7 TWO HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LINE;

8 (C) PROVIDING ELIGIBILITY UNDER THE STATE MEDICAL
9 ASSISTANCE PROGRAM FOR A CHILDLESS ADULT OR AN ADULT WITHOUT A
10 DEPENDENT CHILD IN THE HOME, PURSUANT TO SECTION 25.5-5-201 (1)(p),
11 WHO EARNS UP TO ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL
12 POVERTY LINE; AND

13 (D) PROVIDING A BUY-IN PROGRAM IN THE STATE MEDICAL
14 ASSISTANCE PROGRAM FOR DISABLED ADULTS AND CHILDREN WHOSE
15 FAMILIES HAVE INCOME OF UP TO FOUR HUNDRED FIFTY PERCENT OF THE
16 FEDERAL POVERTY LINE;

17 (V) TO PROVIDE CONTINUOUS ELIGIBILITY FOR TWELVE MONTHS
18 FOR CHILDREN ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM;

19 (VI) TO PAY THE ENTERPRISE'S ACTUAL ADMINISTRATIVE COSTS OF
20 IMPLEMENTING AND ADMINISTERING THIS SECTION, INCLUDING BUT NOT
21 LIMITED TO THE FOLLOWING COSTS:

22 (A) ADMINISTRATIVE EXPENSES OF THE ENTERPRISE;

23 (B) THE ENTERPRISE'S ACTUAL COSTS RELATED TO IMPLEMENTING
24 AND MAINTAINING THE HEALTHCARE AFFORDABILITY AND
25 SUSTAINABILITY FEE, INCLUDING PERSONAL SERVICES, OPERATING, AND
26 CONSULTING EXPENSES;

27 (C) THE ENTERPRISE'S ACTUAL COSTS FOR THE CHANGES AND
28 UPDATES TO THE MEDICAID MANAGEMENT INFORMATION SYSTEM FOR THE
29 IMPLEMENTATION OF SUBSECTIONS (5)(b)(I) TO (5)(b)(III) OF THIS
30 SECTION;

31 (D) THE ENTERPRISE'S PERSONAL SERVICES AND OPERATING COSTS
32 RELATED TO PERSONNEL, CONSULTING SERVICES, AND FOR REVIEW OF
33 HOSPITAL COSTS NECESSARY TO IMPLEMENT AND ADMINISTER THE
34 INCREASES IN INPATIENT AND OUTPATIENT HOSPITAL PAYMENTS MADE
35 PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION, INCREASES IN THE
36 COLORADO INDIGENT CARE PROGRAM PAYMENTS MADE PURSUANT TO
37 SUBSECTION (5)(b)(II) OF THIS SECTION, AND QUALITY INCENTIVE
38 PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION;

39 (E) THE ENTERPRISE'S ACTUAL COSTS FOR THE CHANGES AND
40 UPDATES TO THE COLORADO BENEFITS MANAGEMENT SYSTEM AND
41 MEDICAID MANAGEMENT INFORMATION SYSTEM TO IMPLEMENT AND

1 MAINTAIN THE EXPANDED ELIGIBILITY PROVIDED FOR IN SUBSECTIONS
2 (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

3 (F) THE ENTERPRISE'S PERSONAL SERVICES AND OPERATING COSTS
4 RELATED TO PERSONNEL NECESSARY TO IMPLEMENT AND ADMINISTER THE
5 EXPANDED ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE PROVIDED FOR
6 IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION, INCLUDING
7 BUT NOT LIMITED TO ADMINISTRATIVE COSTS ASSOCIATED WITH THE
8 DETERMINATION OF ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE BY
9 COUNTY DEPARTMENTS; AND

10 (G) THE ENTERPRISE'S PERSONAL SERVICES, OPERATING, AND
11 SYSTEMS COSTS RELATED TO EXPANDING THE OPPORTUNITY FOR
12 INDIVIDUALS TO APPLY FOR PUBLIC MEDICAL ASSISTANCE DIRECTLY AT
13 HOSPITALS OR THROUGH ANOTHER ENTITY OUTSIDE THE COUNTY
14 DEPARTMENTS, IN CONNECTION WITH SECTION 25.5-4-205, THAT WOULD
15 INCREASE ACCESS TO PUBLIC MEDICAL ASSISTANCE AND REDUCE THE
16 NUMBER OF UNINSURED SERVED BY HOSPITALS;

17 (VII) TO OFFSET THE LOSS OF ANY FEDERAL MATCHING MONEY
18 DUE TO A DECREASE IN THE CERTIFICATION OF THE PUBLIC EXPENDITURE
19 PROCESS FOR OUTPATIENT HOSPITAL SERVICES FOR MEDICAL SERVICES
20 PREMIUMS THAT WERE IN EFFECT AS OF JULY 1, 2008;

21 (VIII) SUBJECT TO ANY NECESSARY FEDERAL WAIVERS BEING
22 OBTAINED, TO PROVIDE FUNDING FOR A HEALTH CARE DELIVERY SYSTEM
23 REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8)
24 OF THIS SECTION; AND

25 (IX) TO PROVIDE ADDITIONAL BUSINESS SERVICES TO HOSPITALS
26 AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION.

27 (6) **Appropriations.** (a) (I) THE HEALTHCARE AFFORDABILITY
28 AND SUSTAINABILITY FEE IS TO SUPPLEMENT, NOT SUPPLANT, GENERAL
29 FUND APPROPRIATIONS TO SUPPORT HOSPITAL REIMBURSEMENTS.
30 GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS SHALL
31 BE MAINTAINED AT THE LEVEL OF APPROPRIATIONS IN THE MEDICAL
32 SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING
33 JULY 1, 2008; EXCEPT THAT GENERAL FUND APPROPRIATIONS FOR
34 HOSPITAL REIMBURSEMENTS MAY BE REDUCED IF AN INDEX OF
35 APPROPRIATIONS TO OTHER PROVIDERS SHOWS THAT GENERAL FUND
36 APPROPRIATIONS ARE REDUCED FOR OTHER PROVIDERS. IF THE INDEX
37 SHOWS THAT GENERAL FUND APPROPRIATIONS ARE REDUCED FOR OTHER
38 PROVIDERS, THE GENERAL FUND APPROPRIATIONS FOR HOSPITAL
39 REIMBURSEMENTS SHALL NOT BE REDUCED BY A GREATER PERCENTAGE
40 THAN THE REDUCTIONS OF APPROPRIATIONS FOR THE OTHER PROVIDERS AS
41 SHOWN BY THE INDEX.

1 (II) IF GENERAL FUND APPROPRIATIONS FOR HOSPITAL
2 REIMBURSEMENTS ARE REDUCED BELOW THE LEVEL OF APPROPRIATIONS
3 IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL
4 YEAR COMMENCING JULY 1, 2008, THE GENERAL FUND APPROPRIATIONS
5 WILL BE INCREASED BACK TO THE LEVEL OF APPROPRIATIONS IN THE
6 MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR
7 COMMENCING JULY 1, 2008, AT THE SAME PERCENTAGE AS THE
8 APPROPRIATIONS FOR OTHER PROVIDERS AS SHOWN BY THE INDEX. THE
9 GENERAL ASSEMBLY IS NOT OBLIGATED TO INCREASE THE GENERAL FUND
10 APPROPRIATIONS BACK TO THE LEVEL OF APPROPRIATIONS IN THE MEDICAL
11 SERVICES PREMIUM LINE ITEM IN A SINGLE FISCAL YEAR AND SUCH
12 INCREASES MAY OCCUR OVER NONCONSECUTIVE FISCAL YEARS.

13 (III) FOR PURPOSES OF THIS SUBSECTION (6)(a), THE "INDEX OF
14 APPROPRIATIONS TO OTHER PROVIDERS" OR "INDEX" MEANS THE AVERAGE
15 PERCENT CHANGE IN REIMBURSEMENT RATES THROUGH APPROPRIATIONS
16 OR LEGISLATION ENACTED BY THE GENERAL ASSEMBLY TO HOME HEALTH
17 PROVIDERS, PHYSICIAN SERVICES, AND OUTPATIENT PHARMACIES,
18 EXCLUDING DISPENSING FEES. THE STATE BOARD, AFTER CONSULTATION
19 WITH THE ENTERPRISE BOARD, IS AUTHORIZED TO CLARIFY THIS
20 DEFINITION AS NECESSARY BY RULE.

21 (b) IF THE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND
22 SUSTAINABILITY FEE IS INSUFFICIENT TO FULLY FUND ALL OF THE
23 PURPOSES DESCRIBED IN SUBSECTION (5)(b) OF THIS SECTION:

24 (I) THE GENERAL ASSEMBLY IS NOT OBLIGATED TO APPROPRIATE
25 GENERAL FUND REVENUES TO FUND SUCH PURPOSES;

26 (II) THE HOSPITAL PROVIDER REIMBURSEMENT AND QUALITY
27 INCENTIVE PAYMENT INCREASES DESCRIBED IN SUBSECTIONS (5)(b)(I) TO
28 (5)(b)(III) OF THIS SECTION AND THE COSTS DESCRIBED IN SUBSECTION
29 (5)(b)(VI) OF THIS SECTION SHALL BE FULLY FUNDED USING REVENUE
30 FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND
31 FEDERAL MATCHING FUNDS BEFORE ANY ELIGIBILITY EXPANSION IS
32 FUNDED; AND

33 (III) (A) IF THE STATE BOARD PROMULGATES RULES THAT EXPAND
34 ELIGIBILITY FOR MEDICAL ASSISTANCE TO BE PAID FOR PURSUANT TO
35 SUBSECTION (5)(b)(IV) OF THIS SECTION, AND THE STATE DEPARTMENT
36 THEREAFTER NOTIFIES THE ENTERPRISE BOARD THAT THE REVENUE
37 AVAILABLE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY
38 FEE AND THE FEDERAL MATCHING FUNDS WILL NOT BE SUFFICIENT TO PAY
39 FOR ALL OR PART OF THE EXPANDED ELIGIBILITY, THE ENTERPRISE BOARD
40 SHALL RECOMMEND TO THE STATE BOARD REDUCTIONS IN MEDICAL
41 BENEFITS OR ELIGIBILITY SO THAT THE REVENUE WILL BE SUFFICIENT TO

1 PAY FOR ALL OF THE REDUCED BENEFITS OR ELIGIBILITY. AFTER RECEIVING
2 THE RECOMMENDATIONS OF THE ENTERPRISE BOARD, THE STATE BOARD
3 SHALL ADOPT RULES PROVIDING FOR REDUCED BENEFITS OR REDUCED
4 ELIGIBILITY FOR WHICH THE REVENUE WILL BE SUFFICIENT AND SHALL
5 FORWARD ANY ADOPTED RULES TO THE JOINT BUDGET COMMITTEE.
6 NOTWITHSTANDING THE PROVISIONS OF SECTION 24-4-103 (8) AND (12),
7 FOLLOWING THE ADOPTION OF RULES PURSUANT TO THIS SUBSECTION
8 (6)(b)(III)(A), THE STATE BOARD SHALL NOT SUBMIT THE RULES TO THE
9 ATTORNEY GENERAL AND SHALL NOT FILE THE RULES WITH THE
10 SECRETARY OF STATE UNTIL THE JOINT BUDGET COMMITTEE APPROVES THE
11 RULES PURSUANT TO SUBSECTION (6)(b)(III)(B) OF THIS SECTION.

12 (B) THE JOINT BUDGET COMMITTEE SHALL PROMPTLY CONSIDER
13 ANY RULES ADOPTED BY THE STATE BOARD PURSUANT TO SUBSECTION
14 (6)(b)(III)(A) OF THIS SECTION. THE JOINT BUDGET COMMITTEE SHALL
15 PROMPTLY NOTIFY THE STATE DEPARTMENT, THE STATE BOARD, AND THE
16 ENTERPRISE BOARD OF ANY ACTION ON THE RULES. IF THE JOINT BUDGET
17 COMMITTEE DOES NOT APPROVE THE RULES, THE JOINT BUDGET
18 COMMITTEE SHALL RECOMMEND A REDUCTION IN BENEFITS OR ELIGIBILITY
19 SO THAT THE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND
20 SUSTAINABILITY FEE AND THE MATCHING FEDERAL FUNDS WILL BE
21 SUFFICIENT TO PAY FOR THE REDUCED BENEFITS OR ELIGIBILITY. AFTER
22 APPROVING THE RULES PURSUANT TO THIS SUBSECTION (6)(b)(III)(B), THE
23 JOINT BUDGET COMMITTEE SHALL REQUEST THAT THE COMMITTEE ON
24 LEGAL SERVICES, CREATED PURSUANT TO SECTION 2-3-501, EXTEND THE
25 RULES AS PROVIDED FOR IN SECTION 24-4-103 (8) UNLESS THE COMMITTEE
26 ON LEGAL SERVICES FINDS AFTER REVIEW THAT THE RULES DO NOT
27 CONFORM WITH SECTION 24-4-103 (8)(a).

28 (C) AFTER THE STATE BOARD HAS RECEIVED NOTIFICATION OF THE
29 APPROVAL OF RULES ADOPTED PURSUANT TO SUBSECTION (6)(b)(III)(A)
30 OF THIS SECTION, THE STATE BOARD SHALL SUBMIT THE RULES TO THE
31 ATTORNEY GENERAL PURSUANT TO SECTION 24-4-103 (8)(b) AND SHALL
32 FILE THE RULES AND THE OPINION OF THE ATTORNEY GENERAL WITH THE
33 SECRETARY OF STATE PURSUANT TO SECTION 24-4-103 (12) AND WITH THE
34 OFFICE OF LEGISLATIVE LEGAL SERVICES. PURSUANT TO SECTION 24-4-103
35 (5), THE RULES ARE EFFECTIVE TWENTY DAYS AFTER PUBLICATION OF THE
36 RULES AND ARE ONLY EFFECTIVE UNTIL THE FOLLOWING MAY 15 UNLESS
37 THE RULES ARE EXTENDED PURSUANT TO A BILL ENACTED PURSUANT TO
38 SECTION 24-4-103 (8).

39 (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
40 IF, AFTER RECEIPT OF AUTHORIZATION TO RECEIVE FEDERAL MATCHING
41 FUNDS FOR MONEY IN THE FUND, THE AUTHORIZATION IS WITHDRAWN OR

1 CHANGED SO THAT FEDERAL MATCHING FUNDS ARE NO LONGER
2 AVAILABLE, THE ENTERPRISE SHALL CEASE COLLECTING THE HEALTHCARE
3 AFFORDABILITY AND SUSTAINABILITY FEE AND SHALL REPAY TO THE
4 HOSPITALS ANY MONEY RECEIVED BY THE FUND THAT IS NOT SUBJECT TO
5 FEDERAL MATCHING FUNDS.

6 (7) **Colorado healthcare affordability and sustainability**
7 **enterprise board.** (a) (I) EXCEPT AS OTHERWISE PROVIDED IN
8 SUBSECTION (7)(a)(II) OF THIS SECTION, THE ENTERPRISE BOARD CONSISTS
9 OF THIRTEEN MEMBERS APPOINTED BY THE GOVERNOR, WITH THE ADVICE
10 AND CONSENT OF THE SENATE, AS FOLLOWS:

11 (A) FIVE MEMBERS WHO ARE EMPLOYED BY HOSPITALS IN
12 COLORADO, INCLUDING AT LEAST ONE PERSON WHO IS EMPLOYED BY A
13 HOSPITAL IN A RURAL AREA, ONE PERSON WHO IS EMPLOYED BY A
14 SAFETY-NET HOSPITAL FOR WHICH THE PERCENT OF MEDICAID-ELIGIBLE
15 INPATIENT DAYS RELATIVE TO ITS TOTAL INPATIENT DAYS IS EQUAL TO OR
16 GREATER THAN ONE STANDARD DEVIATION ABOVE THE MEAN, AND ONE
17 PERSON WHO IS EMPLOYED BY A HOSPITAL IN AN URBAN AREA;

18 (B) ONE MEMBER WHO IS A REPRESENTATIVE OF A STATEWIDE
19 ORGANIZATION OF HOSPITALS;

20 (C) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION
21 OF HEALTH INSURANCE CARRIERS OR A HEALTH INSURANCE CARRIER
22 LICENSED PURSUANT TO TITLE 10 AND WHO IS NOT A REPRESENTATIVE OF
23 A HOSPITAL;

24 (D) ONE MEMBER OF THE HEALTH CARE INDUSTRY WHO DOES NOT
25 REPRESENT A HOSPITAL OR A HEALTH INSURANCE CARRIER;

26 (E) ONE MEMBER WHO IS A CONSUMER OF HEALTH CARE AND WHO
27 IS NOT A REPRESENTATIVE OR AN EMPLOYEE OF A HOSPITAL, HEALTH
28 INSURANCE CARRIER, OR OTHER HEALTH CARE INDUSTRY ENTITY;

29 (F) ONE MEMBER WHO IS A REPRESENTATIVE OF PERSONS WITH
30 DISABILITIES, WHO IS LIVING WITH A DISABILITY, AND WHO IS NOT A
31 REPRESENTATIVE OR AN EMPLOYEE OF A HOSPITAL, HEALTH INSURANCE
32 CARRIER, OR OTHER HEALTH CARE INDUSTRY ENTITY;

33 (G) ONE MEMBER WHO IS A REPRESENTATIVE OF A BUSINESS THAT
34 PURCHASES OR OTHERWISE PROVIDES HEALTH INSURANCE FOR ITS
35 EMPLOYEES; AND

36 (H) TWO EMPLOYEES OF THE STATE DEPARTMENT.

37 (II) THE INITIAL MEMBERS OF THE ENTERPRISE BOARD ARE THE
38 MEMBERS OF THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY
39 BOARD THAT WAS CREATED AND EXISTED PURSUANT TO SECTION
40 25.5-4-402.3 (6), PRIOR TO JULY 1, 2017, AND SUCH MEMBERS SHALL
41 SERVE ON AND AFTER JULY 1, 2017, FOR THE REMAINDER OF THE TERMS

1 FOR WHICH THEY WERE APPOINTED AS MEMBERS OF THE ADVISORY BOARD.
2 THE POWERS, DUTIES, AND FUNCTIONS OF THE HOSPITAL PROVIDER FEE
3 OVERSIGHT AND ADVISORY BOARD ARE TRANSFERRED BY A **TYPE 3**
4 TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE ENTERPRISE, AND
5 THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD IS
6 ABOLISHED.

7 (III) THE GOVERNOR SHALL CONSULT WITH REPRESENTATIVES OF
8 A STATEWIDE ORGANIZATION OF HOSPITALS IN MAKING THE
9 APPOINTMENTS PURSUANT TO SUBSECTIONS (7)(a)(I)(A) AND (7)(a)(I)(B)
10 OF THIS SECTION. NO MORE THAN SIX MEMBERS OF THE ENTERPRISE BOARD
11 MAY BE MEMBERS OF THE SAME POLITICAL PARTY.

12 (IV) MEMBERS OF THE ENTERPRISE BOARD SERVE AT THE
13 PLEASURE OF THE GOVERNOR. ALL TERMS ARE FOR FOUR YEARS. A
14 MEMBER WHO IS APPOINTED TO FILL A VACANCY SHALL SERVE THE
15 REMAINDER OF THE UNEXPIRED TERM OF THE FORMER MEMBER.

16 (V) THE GOVERNOR SHALL DESIGNATE A CHAIR FROM AMONG THE
17 MEMBERS OF THE ENTERPRISE BOARD APPOINTED PURSUANT TO
18 SUBSECTIONS (7)(a)(I)(A) TO (7)(a)(I)(G) OF THIS SECTION. THE
19 ENTERPRISE BOARD SHALL ELECT A VICE-CHAIR FROM AMONG ITS
20 MEMBERS.

21 (b) MEMBERS OF THE ENTERPRISE BOARD SERVE WITHOUT
22 COMPENSATION BUT MUST BE REIMBURSED FROM MONEY IN THE FUND FOR
23 ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF
24 THEIR DUTIES PURSUANT TO THIS SECTION.

25 (c) THE ENTERPRISE BOARD MAY CONTRACT FOR A GROUP
26 FACILITATOR TO ASSIST THE MEMBERS OF THE ENTERPRISE BOARD IN
27 PERFORMING THEIR REQUIRED DUTIES.

28 (d) THE ENTERPRISE BOARD HAS, AT A MINIMUM, THE FOLLOWING
29 DUTIES:

30 (I) TO DETERMINE THE TIMING AND METHOD BY WHICH THE
31 ENTERPRISE ASSESSES THE HEALTHCARE AFFORDABILITY AND
32 SUSTAINABILITY FEE AND THE AMOUNT OF THE FEE;

33 (II) IF REQUESTED BY THE HEALTH AND HUMAN SERVICES
34 COMMITTEE OF THE SENATE OR THE PUBLIC HEALTH CARE AND HUMAN
35 SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY
36 SUCCESSOR COMMITTEES, TO CONSULT WITH THE COMMITTEES ON ANY
37 LEGISLATION THAT MAY IMPACT THE HEALTHCARE AFFORDABILITY AND
38 SUSTAINABILITY FEE OR HOSPITAL REIMBURSEMENTS ESTABLISHED
39 PURSUANT TO THIS SECTION;

40 (III) TO DETERMINE CHANGES IN THE HEALTHCARE AFFORDABILITY
41 AND SUSTAINABILITY FEE THAT INCREASE THE NUMBER OF HOSPITALS

1 BENEFITTING FROM THE USES OF THE HEALTHCARE AFFORDABILITY AND
2 SUSTAINABILITY FEE DESCRIBED IN SUBSECTIONS (5)(b)(I) TO (5)(b)(IV)
3 OF THIS SECTION OR THAT MINIMIZE THE NUMBER OF HOSPITALS THAT
4 SUFFER LOSSES AS A RESULT OF PAYING THE HEALTHCARE AFFORDABILITY
5 AND SUSTAINABILITY FEE;

6 (IV) TO RECOMMEND TO THE STATE DEPARTMENT REFORMS OR
7 CHANGES TO THE INPATIENT HOSPITAL AND OUTPATIENT HOSPITAL
8 REIMBURSEMENTS AND QUALITY INCENTIVE PAYMENTS MADE UNDER THE
9 STATE MEDICAL ASSISTANCE PROGRAM TO INCREASE PROVIDER
10 ACCOUNTABILITY, PERFORMANCE, AND REPORTING;

11 (V) TO DIRECT AND OVERSEE THE ENTERPRISE IN SEEKING, IN
12 CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE
13 DEPARTMENT IF REQUIRED BY FEDERAL LAW, ANY FEDERAL WAIVER
14 NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT
15 AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE
16 DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED
17 IN SUBSECTION (8) OF THIS SECTION;

18 (VI) TO RECOMMEND TO THE STATE DEPARTMENT THE SCHEDULE
19 AND APPROACH TO THE IMPLEMENTATION OF SUBSECTIONS (5)(b)(IV) AND
20 (5)(b)(V) OF THIS SECTION;

21 (VII) IF MONEY IN THE FUND IS INSUFFICIENT TO FULLY FUND ALL
22 OF THE PURPOSES SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION, TO
23 RECOMMEND TO THE STATE BOARD CHANGES TO THE EXPANDED
24 ELIGIBILITY PROVISIONS DESCRIBED IN SUBSECTION (5)(b)(IV) OF THIS
25 SECTION;

26 (VIII) TO PREPARE THE REPORTS SPECIFIED IN SUBSECTION (7)(e)
27 OF THIS SECTION;

28 (IX) TO MONITOR THE IMPACT OF THE HEALTHCARE
29 AFFORDABILITY AND SUSTAINABILITY FEE ON THE BROADER HEALTH CARE
30 MARKETPLACE;

31 (X) TO ESTABLISH REQUIREMENTS FOR THE REPORTS THAT
32 HOSPITALS MUST SUBMIT TO THE ENTERPRISE TO ALLOW THE ENTERPRISE
33 TO CALCULATE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND
34 SUSTAINABILITY FEE; AND

35 (XI) TO PERFORM ANY OTHER DUTIES REQUIRED TO FULFILL THE
36 ENTERPRISE BOARD'S CHARGE OR THOSE ASSIGNED TO IT BY THE STATE
37 BOARD OR THE EXECUTIVE DIRECTOR.

38 (e) ON OR BEFORE JANUARY 15, 2018, AND ON OR BEFORE
39 JANUARY 15 EACH YEAR THEREAFTER, THE ENTERPRISE BOARD SHALL
40 SUBMIT A WRITTEN REPORT TO THE HEALTH AND HUMAN SERVICES
41 COMMITTEE OF THE SENATE AND THE PUBLIC HEALTH CARE AND HUMAN

1 SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY
2 SUCCESSOR COMMITTEES, THE JOINT BUDGET COMMITTEE OF THE GENERAL
3 ASSEMBLY, THE GOVERNOR, AND THE STATE BOARD. THE REPORT SHALL
4 INCLUDE, BUT NEED NOT BE LIMITED TO:

5 (I) THE RECOMMENDATIONS MADE TO THE STATE BOARD
6 PURSUANT TO THIS SECTION;

7 (II) A DESCRIPTION OF THE FORMULA FOR HOW THE HEALTHCARE
8 AFFORDABILITY AND SUSTAINABILITY FEE IS CALCULATED AND THE
9 PROCESS BY WHICH THE HEALTHCARE AFFORDABILITY AND
10 SUSTAINABILITY FEE IS ASSESSED AND COLLECTED;

11 (III) AN ITEMIZATION OF THE TOTAL AMOUNT OF THE HEALTHCARE
12 AFFORDABILITY AND SUSTAINABILITY FEE PAID BY EACH HOSPITAL AND
13 ANY PROJECTED REVENUE THAT EACH HOSPITAL IS EXPECTED TO RECEIVE
14 DUE TO:

15 (A) THE INCREASED REIMBURSEMENTS MADE PURSUANT TO
16 SUBSECTIONS (5)(b)(I) AND (5)(b)(II) OF THIS SECTION AND THE QUALITY
17 INCENTIVE PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(III) OF THIS
18 SECTION; AND

19 (B) THE INCREASED ELIGIBILITY DESCRIBED IN SUBSECTIONS
20 (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

21 (IV) AN ITEMIZATION OF THE COSTS INCURRED BY THE ENTERPRISE
22 IN IMPLEMENTING AND ADMINISTERING THE HEALTHCARE AFFORDABILITY
23 AND SUSTAINABILITY FEE;

24 (V) ESTIMATES OF THE DIFFERENCES BETWEEN THE COST OF CARE
25 PROVIDED AND THE PAYMENT RECEIVED BY HOSPITALS ON A PER-PATIENT
26 BASIS, AGGREGATED FOR ALL HOSPITALS, FOR PATIENTS COVERED BY EACH
27 OF THE FOLLOWING:

28 (A) MEDICAID;

29 (B) MEDICARE; AND

30 (C) ALL OTHER PAYERS; AND

31 (VI) A SUMMARY OF:

32 (A) THE EFFORTS MADE BY THE ENTERPRISE, ACTING IN CONCERT
33 WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF
34 REQUIRED BY FEDERAL LAW, TO SEEK ANY FEDERAL WAIVER NECESSARY
35 TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND
36 HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY
37 SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN
38 SUBSECTION (8) OF THIS SECTION; AND

39 (B) THE PROGRESS ACTUALLY MADE BY THE ENTERPRISE, IN
40 COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, TOWARDS
41 THE GOAL OF IMPLEMENTING SUCH A PROGRAM.

1 (f) (I) THE ENTERPRISE IS SUBJECT TO THE OPEN MEETINGS
2 PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972", CONTAINED IN
3 PART 4 OF ARTICLE 6 OF TITLE 24, AND THE "COLORADO OPEN RECORDS
4 ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

5 (II) FOR PURPOSES OF THE "COLORADO OPEN RECORDS ACT",
6 PART 2 OF ARTICLE 72 OF TITLE 24, AND EXCEPT AS MAY OTHERWISE BE
7 PROVIDED BY FEDERAL LAW OR REGULATION OR STATE LAW, THE RECORDS
8 OF THE ENTERPRISE ARE PUBLIC RECORDS, AS DEFINED IN SECTION
9 24-72-202 (6), REGARDLESS OF WHETHER THE ENTERPRISE RECEIVES LESS
10 THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUES IN GRANTS, AS
11 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND
12 LOCAL GOVERNMENTS COMBINED.

13 (III) THE ENTERPRISE IS A PUBLIC ENTITY FOR PURPOSES OF PART
14 2 OF ARTICLE 57 OF TITLE 11.

15 (8) **Health care delivery system reform incentive payments**
16 **program - funding and implementation.** THE ENTERPRISE, ACTING IN
17 CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE
18 DEPARTMENT IF REQUIRED BY FEDERAL LAW, SHALL SEEK ANY FEDERAL
19 WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE
20 DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION, NO
21 EARLIER THAN OCTOBER 1, 2019, OF A HEALTH CARE DELIVERY SYSTEM
22 REFORM INCENTIVE PAYMENTS PROGRAM THAT WILL IMPROVE HEALTH
23 CARE ACCESS AND OUTCOMES FOR INDIVIDUALS SERVED BY THE STATE
24 DEPARTMENT WHILE EFFICIENTLY UTILIZING AVAILABLE FINANCIAL
25 RESOURCES. SUCH A PROGRAM MUST, AT A MINIMUM:

26 (a) INCLUDE AN INITIAL PLANNING PHASE TO:

27 (I) ASSESS NEEDS; AND

28 (II) DEVELOP ACHIEVABLE OUTCOME-BASED METRICS TO BE USED
29 TO MEASURE PROGRESS TOWARDS PROGRAM GOALS, INCLUDING THE
30 GOALS OF HEALTH CARE DELIVERY SYSTEM INTEGRATION, IMPROVED
31 PATIENT OUTCOMES, AND MORE EFFICIENT PROVISION OF CARE; AND

32 (b) ADDRESS THE FOLLOWING FOCUS AREAS:

33 (I) CARE COORDINATION AND CARE TRANSITION MANAGEMENT;

34 (II) INTEGRATION OF PHYSICAL AND BEHAVIORAL HEALTH CARE
35 SERVICES;

36 (III) CHRONIC CONDITION MANAGEMENT;

37 (IV) TARGETED POPULATION HEALTH; AND

38 (V) DATA-DRIVEN ACCOUNTABILITY AND OUTCOME
39 MEASUREMENT.

40 **SECTION 18.** In Colorado Revised Statutes, **add 25.5-4-402.7**
41 as follows:

1 **25.5-4-402.7. Unexpended hospital provider fee cash fund -**
2 **creation - transfer from hospital provider fee cash fund - use of fund**
3 **- repeal.** (1) THE UNEXPENDED HOSPITAL PROVIDER FEE CASH FUND,
4 REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE
5 STATE TREASURY. ON JUNE 30, 2017, THE STATE TREASURER SHALL
6 TRANSFER TO THE FUND ALL MONEY IN THE HOSPITAL PROVIDER FEE CASH
7 FUND CREATED IN SECTION 25.5-4-402.3 (4)(a), AS THAT SECTION EXISTED
8 BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017. THE STATE
9 TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE
10 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE GENERAL FUND.
11 MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE STATE
12 DEPARTMENT THROUGH OCTOBER 30, 2018, FOR THE PURPOSE OF PAYING
13 CLAIMS INCURRED BEFORE JULY 1, 2017, THAT WERE PAYABLE PURSUANT
14 TO SECTION 25.5-5-402.3 (4), AS THAT SECTION EXISTED BEFORE ITS
15 REPEAL BY SENATE BILL 17-267, ENACTED IN 2017. THE STATE
16 DEPARTMENT SHALL REFUND ANY MONEY IN THE FUND DERIVED FROM
17 HOSPITAL PROVIDER FEES THAT IS NOT EXPENDED FOR THE PURPOSE OF
18 PAYING CLAIMS TO THE HOSPITALS THAT PAID THE FEES.

19 (2) THIS SECTION IS REPEALED, EFFECTIVE NOVEMBER 1, 2018.

20 **SECTION 19.** In Colorado Revised Statutes, 25.5-5-201, **amend**
21 (1)(o)(II) and (1)(r)(II) as follows:

22 **25.5-5-201. Optional provisions - optional groups - repeal.**

23 (1) The federal government allows the state to select optional groups to
24 receive medical assistance. Pursuant to federal law, any person who is
25 eligible for medical assistance under the optional groups specified in this
26 section shall receive both the mandatory services specified in sections
27 25.5-5-102 and 25.5-5-103 and the optional services specified in sections
28 25.5-5-202 and 25.5-5-203. Subject to the availability of federal financial
29 aid funds, the following are the individuals or groups that Colorado has
30 selected as optional groups to receive medical assistance pursuant to this
31 article and articles 4 and 6 of this ~~title~~ TITLE 25.5:

32 (o) (II) Notwithstanding the provisions of ~~subparagraph (I) of this~~
33 ~~paragraph (o)~~, SUBSECTION (1)(o)(I) OF THIS SECTION, if the ~~moneys~~
34 MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND
35 SUSTAINABILITY fee cash fund established pursuant to ~~section~~
36 ~~25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding
37 federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes
38 described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b),
39 after receiving recommendations from the ~~hospital provider fee oversight~~
40 ~~and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND
41 SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3~~

1 ~~(6)~~ SECTION 25.5-4-402.4 (3), for individuals with disabilities who are
2 participating in the medicaid buy-in program established in part 14 of
3 article 6 of this ~~title~~ TITLE 25.5, the state board by rule adopted pursuant
4 to the provisions of ~~section 25.5-4-402.3 (5) (b) (HH)~~ SECTION
5 25.5-4-402.4 (6)(b)(III) may reduce the medical benefits offered or the
6 percentage of the federal poverty line to below four hundred fifty percent
7 or may eliminate this eligibility group.

8 (r) (II) Notwithstanding the provisions of ~~subparagraph (I) of this~~
9 ~~paragraph (r)~~, SUBSECTION (1)(r)(I) OF THIS SECTION, if the ~~moneys~~
10 MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND
11 SUSTAINABILITY fee cash fund established pursuant to ~~section~~
12 ~~25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding
13 federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes
14 described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b),
15 after receiving recommendations from the ~~hospital provider fee oversight~~
16 ~~and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND
17 SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3~~
18 ~~(6)~~ SECTION 25.5-4-402.4 (3), for persons eligible for a medicaid buy-in
19 program established pursuant to section 25.5-5-206, the state board by
20 rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b)~~
21 ~~(HH)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the medical benefits
22 offered, or the percentage of the federal poverty line, or may eliminate
23 this eligibility group.

24 **SECTION 20.** In Colorado Revised Statutes, 25.5-5-204.5,
25 **amend** (2) as follows:

26 **25.5-5-204.5. Continuous eligibility - children - repeal.**
27 (2) Notwithstanding the provisions of subsection (1) of this section, if the
28 ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY
29 AND SUSTAINABILITY fee cash fund established pursuant to ~~section~~
30 ~~25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding
31 federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes
32 described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b),
33 after receiving recommendations from the ~~hospital provider fee oversight~~
34 ~~and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND
35 SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3~~
36 ~~(6)~~ SECTION 25.5-4-402.4 (3), the state board by rule adopted pursuant to
37 the provisions of ~~section 25.5-4-402.3 (5) (b) (HH)~~ SECTION 25.5-4-402.4
38 (6)(b)(III) may eliminate the continuous enrollment requirement pursuant
39 to this section.

40 **SECTION 21.** In Colorado Revised Statutes, **add** 25.5-5-419 as
41 follows:

1 **25.5-5-419. Advancing care for exceptional kids.** WITHIN ONE
2 HUNDRED TWENTY DAYS OF THE ENACTMENT OF THE FEDERAL
3 "ADVANCING CARE FOR EXCEPTIONAL KIDS ACT", SUBJECT TO
4 AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL SEEK ANY
5 FEDERAL APPROVAL NECESSARY TO FUND, IN COOPERATION WITH
6 HOSPITALS THAT MEET THE SPECIFIED REQUIREMENTS, THE
7 IMPLEMENTATION OF AN ENHANCED PEDIATRIC HEALTH HOME FOR
8 CHILDREN WITH COMPLEX MEDICAL CONDITIONS. REQUIREMENTS FOR
9 PARTICIPATION BY THE STATE DEPARTMENT, ALONG WITH THE
10 REQUIREMENT OF AN ENHANCED PEDIATRIC HEALTH HOME, ARE
11 STIPULATED BY THE "ADVANCING CARE FOR EXCEPTIONAL KIDS ACT"
12 AND SHALL BE COMPLIED WITH ACCORDINGLY.

13 **SECTION 22.** In Colorado Revised Statutes, 25.5-8-103, **amend**
14 the introductory portion, (4)(a)(II), and (4)(b)(II) as follows:

15 **25.5-8-103. Definitions - repeal.** As used in this ~~article~~ ARTICLE
16 8, unless the context otherwise requires:

17 (4) "Eligible person" means:

18 (a) (II) Notwithstanding the provisions of ~~subparagraph (I) of this~~
19 ~~paragraph (a)~~, SUBSECTION (4)(a)(I) OF THIS SECTION, if the ~~moneys~~
20 MONEY in the ~~hospital-provider~~ HEALTHCARE AFFORDABILITY AND
21 SUSTAINABILITY fee cash fund established pursuant to ~~section~~
22 ~~25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4 (5), together with the
23 corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all
24 of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION
25 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital~~
26 ~~provider fee oversight and advisory board~~ COLORADO HEALTHCARE
27 AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to
28 ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for persons less than
29 nineteen years of age, the state board may by rule adopted pursuant to the
30 provisions of ~~section 25.5-4-402.3 (5) (b) (II)~~ SECTION 25.5-4-402.4
31 (6)(b)(III) reduce the percentage of the federal poverty line to below two
32 hundred fifty percent, but the percentage shall not be reduced to below
33 two hundred five percent.

34 (b) (II) Notwithstanding the provisions of ~~subparagraph (I) of this~~
35 ~~paragraph (b)~~ SUBSECTION (4)(b)(I) OF THIS SECTION, if the ~~moneys~~
36 MONEY in the ~~hospital-provider~~ HEALTHCARE AFFORDABILITY AND
37 SUSTAINABILITY fee cash fund established pursuant to ~~section~~
38 ~~25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4 (5), together with the
39 corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all
40 of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION
41 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital~~

1 ~~provider fee oversight and advisory board~~ COLORADO HEALTHCARE
2 AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to
3 ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for pregnant women,
4 the state board by rule adopted pursuant to the provisions of ~~section~~
5 ~~25.5-4-402.3 (5) (b) (II)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the
6 percentage of the federal poverty line to below two hundred fifty percent,
7 but the percentage shall not be reduced to below two hundred five
8 percent.

9 **SECTION 23.** In Colorado Revised Statutes, 29-2-105, **amend**
10 (1) introductory portion and (1)(d)(I) introductory portion; and **add**
11 (1)(d)(I)(O) as follows:

12 **29-2-105. Contents of sales tax ordinances and proposals -**
13 **repeal.** (1) The sales tax ordinance or proposal of any incorporated town,
14 city, or county adopted pursuant to this article shall be imposed on the
15 sale of tangible personal property at retail or the furnishing of services,
16 as provided in ~~paragraph (d) of this subsection (1)~~ SUBSECTION (1)(d) OF
17 THIS SECTION. Any countywide or incorporated town or city sales tax
18 ordinance or proposal shall include the following provisions:

19 (d) (I) A provision that the sale of tangible personal property and
20 services taxable pursuant to this article shall be the same as the sale of
21 tangible personal property and services taxable pursuant to section
22 39-26-104, ~~C.R.S.~~, except as otherwise provided in this ~~paragraph (d)~~
23 SUBSECTION (1)(d). The sale of tangible personal property and services
24 taxable pursuant to this article shall be subject to the same sales tax
25 exemptions as those specified in part 7 of article 26 of title 39 ~~C.R.S.~~;
26 except that the sale of the following may be exempted from a town, city,
27 or county sales tax only by the express inclusion of the exemption either
28 at the time of adoption of the initial sales tax ordinance or resolution or
29 by amendment thereto:

30 (O) THE EXEMPTION FOR RETAIL SALES OF MARIJUANA UPON
31 WHICH THE RETAIL MARIJUANA SALES TAX IS IMPOSED PURSUANT TO
32 SECTION 39-28.8-202 AS SPECIFIED IN SECTION 39-26-729.

33 **SECTION 24.** In Colorado Revised Statutes, **add** 39-3-209 as
34 follows:

35 **39-3-209. State expenditure for property tax exemptions -**
36 **mechanism for refunding of excess state revenue - legislative**
37 **declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
38 THAT:

39 (a) ALTHOUGH THE EXEMPTIONS ALLOWED BY THIS PART 2 ARE
40 EXEMPTIONS FROM LOCAL GOVERNMENT PROPERTY TAXES, THE STATE
41 MUST REIMBURSE LOCAL GOVERNMENTS FOR THE NET AMOUNT OF

1 PROPERTY TAX REVENUES LOST AS A RESULT OF THE EXEMPTIONS AND
2 THEREFORE BEARS THE FULL COST OF THE EXEMPTIONS;

3 (b) SECTION 3.5 OF ARTICLE X OF THE STATE CONSTITUTION
4 AUTHORIZES THE GENERAL ASSEMBLY TO RAISE OR LOWER THE MAXIMUM
5 AMOUNT OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY OF WHICH
6 FIFTY PERCENT IS EXEMPT PURSUANT TO THIS PART 2;

7 (c) IN ORDER TO ELIMINATE THE COST OF THE EXEMPTION AND
8 FUND OTHER STATE NEEDS, THE GENERAL ASSEMBLY, AS AUTHORIZED BY
9 SECTION 3.5 OF ARTICLE X OF THE STATE CONSTITUTION, HAS AT TIMES
10 TEMPORARILY SUSPENDED THE EXEMPTION FOR QUALIFYING SENIORS
11 ALLOWED BY THIS PART 2 BY LOWERING TO ZERO THE MAXIMUM AMOUNT
12 OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY OF WHICH FIFTY
13 PERCENT IS EXEMPT;

14 (d) THE GENERAL ASSEMBLY INTENDS TO ALLOWS SENIORS TO
15 RELY ON PREDICTABLE AND SUSTAINABLE EXEMPTIONS BY FULLY FUNDING
16 THE PROPERTY TAX EXEMPTION FOR QUALIFYING SENIORS IN THE FUTURE,
17 AND IT IS MORE LIKELY TO BE ABLE TO DO SO IF THE COST OF THE
18 EXEMPTION, WHICH EXCLUSIVELY BENEFITS TAXPAYERS WHO RESIDE IN
19 COLORADO, CONSTITUTES A REFUND OF EXCESS STATE REVENUES FOR
20 STATE FISCAL YEARS FOR WHICH SUCH REFUNDS ARE REQUIRED; AND

21 (e) SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION
22 AUTHORIZES THE STATE TO USE ANY REASONABLE METHOD TO MAKE
23 REQUIRED REFUNDS OF EXCESS STATE REVENUES, AND THE PAYMENT BY
24 THE STATE OF REIMBURSEMENT TO LOCAL GOVERNMENTS FOR THE NET
25 AMOUNT OF PROPERTY TAX REVENUES LOST AS A RESULT OF THE
26 PROPERTY TAX EXEMPTIONS ALLOWED BY THIS PART 2, WHICH
27 EXEMPTIONS DIRECTLY REDUCE THE TAX LIABILITY OF TAXPAYING
28 COLORADO RESIDENTS THROUGHOUT THE STATE, IS A REASONABLE
29 METHOD OF MAKING SUCH REFUNDS.

30 (2) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
31 1, 2017, FOR WHICH STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6
32 (6)(c), EXCEED THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION
33 24-77-103.6 (6)(b)(I)(C) OR (6)(b)(I)(D), AND ARE REQUIRED TO BE
34 REFUNDED IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE
35 CONSTITUTION, THE LESSER OF ALL REIMBURSEMENT PAID BY THE STATE
36 TREASURER TO EACH TREASURER AS REQUIRED BY SECTION 39-3-207 (4)
37 FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE STATE
38 FISCAL YEAR OR AN AMOUNT OF SUCH REIMBURSEMENT EQUAL TO THE
39 AMOUNT OF EXCESS STATE REVENUES FOR THE STATE FISCAL YEAR THAT
40 ARE REQUIRED TO BE REFUNDED IS A REFUND OF SUCH EXCESS STATE
41 REVENUES.

1 **SECTION 25.** In Colorado Revised Statutes, 39-22-327, **amend**
2 (3)(a) introductory portion and (6) as follows:

3 **39-22-537. Credit for personal property taxes paid - legislative**
4 **declaration - definitions - repeal.** (3) (a) For any income tax year
5 commencing on or after January 1, 2015, but prior to ~~January 1, 2020~~
6 JANUARY 1, 2019, a taxpayer who qualifies under ~~paragraph (b) of this~~
7 ~~subsection (3)~~ SUBSECTION (3)(b) OF THIS SECTION is allowed a credit
8 against the tax imposed by this ~~article~~ ARTICLE 22 that is equal to a
9 percentage of the property taxes paid for personal property in Colorado
10 during the income tax year. For a given income tax year, a taxpayer's
11 percentage is equal to one hundred percent minus the sum of the
12 taxpayer's federal marginal income tax rate for the year and the state
13 income tax rate for the year; except that the percentage is equal to one
14 hundred percent for an organization that:

15 (6) This section is repealed, effective ~~July 1, 2022~~ JULY 1, 2021.

16 **SECTION 26.** In Colorado Revised Statutes, **add** 39-22-537.5 as
17 follows:

18 **39-22-537.5 Credit for personal property taxes paid -**
19 **legislative declaration - definitions - repeal.** (1) THE GENERAL
20 ASSEMBLY DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN
21 THIS SECTION IS TO MINIMIZE THE NEGATIVE IMPACT OF THE BUSINESS
22 PERSONAL PROPERTY TAX ON BUSINESSES.

23 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
24 REQUIRES:

25 (a) "PROPERTY TAX" MEANS THE AD VALOREM TAX IMPOSED
26 PURSUANT TO SECTION 3 OF ARTICLE X OF THE STATE CONSTITUTION BUT
27 DOES NOT INCLUDE PUBLIC UTILITIES ASSESSED PURSUANT TO SECTION
28 39-4-102, AND DOES NOT INCLUDE THE GRADUATED ANNUAL SPECIFIC
29 OWNERSHIP TAX IMPOSED PURSUANT TO SECTION 6 OF ARTICLE X OF THE
30 STATE CONSTITUTION.

31 (b) "TAXPAYER" INCLUDES AN ORGANIZATION EXEMPT FROM
32 FEDERAL TAXATION PURSUANT TO SECTION 501 (c) OF THE INTERNAL
33 REVENUE CODE.

34 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
35 JANUARY 1, 2019, A TAXPAYER IS ALLOWED A CREDIT AGAINST THE TAX
36 IMPOSED BY THIS ARTICLE 22 EQUAL TO THE PROPERTY TAX PAID IN
37 COLORADO DURING THE INCOME TAX YEAR ON UP TO EIGHTEEN THOUSAND
38 DOLLARS OF THE TOTAL ACTUAL VALUE OF THE TAXPAYER'S PERSONAL
39 PROPERTY.

40 (b) A TAXPAYER MAY NOT CLAIM A TAX CREDIT UNDER THIS
41 SECTION FOR THE PAYMENT OF DELINQUENT PROPERTY TAXES THAT WERE

1 OWED FOR A PRIOR PROPERTY TAX YEAR.

2 (c) THE AMOUNT OF THE CREDIT UNDER THIS SECTION THAT
3 EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE
4 TAXPAYER.

5 (4) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER MUST
6 SUBMIT TO THE DEPARTMENT OF REVENUE A COPY OF A PROPERTY TAX
7 STATEMENT DESCRIBED IN SECTION 39-10-103 FOR ALL OF THE
8 TAXPAYER'S PERSONAL PROPERTY FOR THE PROPERTY TAX YEAR FOR
9 WHICH THE CREDIT IS CLAIMED.

10 **SECTION 27.** In Colorado Revised Statutes, 39-22-627, **amend**
11 (1)(b), (3), and (6); and **repeal** (9) as follows:

12 **39-22-627. Temporary adjustment of rate of income tax -**
13 **refund of excess state revenues - authority of executive director.**

14 (1) (b) In order for the provisions of ~~paragraph (a) of this subsection (1)~~
15 SUBSECTION (1)(a) OF THIS SECTION to take effect, the amount of state
16 revenues required to be refunded for the specified state fiscal year ~~shall~~
17 MUST exceed the total of the ~~adjusted amount set forth in section~~
18 ~~39-22-123 (4) (c)~~, OF REIMBURSEMENT FOR PROPERTY TAX REVENUES
19 LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART
20 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH
21 COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE
22 PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE
23 FISCAL YEAR plus the estimated amount by which state revenues would be
24 decreased as the result of a reduction in the state income tax rate from
25 four and sixty-three one-hundredths percent to four and one-half percent
26 of federal taxable income, as determined pursuant to this section.

27 (3) If one or more ballot questions are submitted to the voters at
28 a statewide election to be held in November of any given calendar year
29 that seek authorization for the state to retain and spend all or any portion
30 of the amount of excess state revenues for the state fiscal year ending
31 during said calendar year, the executive director shall not reduce the state
32 income tax rate until the results of said election are known so that the
33 state income tax rate may be reduced only if, after the results of said
34 election, the amount of excess state revenues required to be refunded for
35 the state fiscal year exceeds the total of the ~~adjusted amount set forth in~~
36 ~~section 39-22-123 (4)(c)~~, OF REIMBURSEMENT FOR PROPERTY TAX
37 REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS
38 ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE
39 TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION
40 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING
41 THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which

1 state revenues would be decreased as a result of a reduction in the state
2 income tax rate from four and sixty-three one-hundredths percent to four
3 and one-half percent of federal taxable income pursuant to this section.

4 (6) If, based on the financial report prepared by the controller in
5 accordance with section 24-77-106.5, ~~C.R.S.~~, the controller certifies that
6 the amount of the state revenues for any state fiscal year commencing on
7 or after ~~July 1, 2010~~ JULY 1, 2017, exceeds the limitation on state fiscal
8 year spending imposed by section 20 (7)(a) of article X of the state
9 constitution for that state fiscal year and exceeds the amount of excess
10 state revenues that the voters statewide have authorized the state to retain
11 and spend for that state fiscal year by less than the total of the ~~adjusted~~
12 ~~amount set forth in section 39-22-123 (4)(c),~~ OF REIMBURSEMENT FOR
13 PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX
14 EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY
15 THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY
16 SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED
17 DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by
18 which state revenues would be decreased as the result of a reduction in
19 the state income tax rate from four and sixty-three one-hundredths percent
20 to four and one-half percent of federal taxable income as calculated by the
21 executive director pursuant to subsection (2) of this section, then the
22 reduction in the state income tax rate allowed pursuant to subsection (1)
23 of this section shall not be allowed for the income tax year commencing
24 during the calendar year in which the state fiscal year ended.

25 (9) ~~If, by operation of section 39-22-123 (6), excess state revenues~~
26 ~~are no longer refunded through an earned income tax credit, the total of~~
27 ~~the adjusted amount set forth in section 39-22-123 (4)(c) is not added to~~
28 ~~the estimated amount by which state revenues would be decreased as the~~
29 ~~result of a reduction in the state income tax rate for purposes of the~~
30 ~~calculations set forth in paragraph (b) of subsection (1) and subsections~~
31 ~~(3) and (6) of this section.~~

32 **SECTION 28.** In Colorado Revised Statutes, **add** 39-26-729 as
33 follows:

34 **39-26-729. Retail sales of marijuana.** ON AND AFTER JULY 1,
35 2017, ALL RETAIL SALES OF MARIJUANA UPON WHICH THE RETAIL
36 MARIJUANA SALES TAX IS IMPOSED PURSUANT TO SECTION 39-28.8-202
37 ARE EXEMPT FROM TAXATION UNDER PART 1 OF THIS ARTICLE 26.

38 **SECTION 29.** In Colorado Revised Statutes, 39-28.8-202,
39 **amend** (1)(a)(I) as follows:

40 **39-28.8-202. Retail marijuana sales tax.** (1) (a) (I) In addition
41 to the tax imposed pursuant to part 1 of article 26 of this ~~title~~ TITLE 39 and

1 the sales tax imposed by a local government pursuant to title 29, 30, 31,
2 or 32, but except as otherwise set forth in ~~subparagraphs (H) and (I) of~~
3 ~~this paragraph (a)~~ SUBSECTIONS (1)(a)(II) AND (1)(a)(III) OF THIS SECTION,
4 beginning January 1, 2014, ~~and through June 30, 2017~~ AND THROUGH
5 JUNE 30, 2017, there is imposed upon all sales of retail marijuana and
6 retail marijuana products by a retailer a tax at the rate of ten percent of the
7 amount of the sale. ~~and beginning July 1, 2017, there is imposed upon all~~
8 ~~sales of retail marijuana and retail marijuana products by a retailer a tax~~
9 ~~at the rate of eight percent of the amount of the sale.~~ BEGINNING JULY 1,
10 2017, THERE IS IMPOSED UPON ALL SALES OF RETAIL MARIJUANA AND
11 RETAIL MARIJUANA PRODUCTS BY A RETAILER A TAX AT THE RATE OF
12 FIFTEEN PERCENT OF THE AMOUNT OF THE SALE. The tax imposed by this
13 section is computed in accordance with schedules or forms prescribed by
14 the executive director of the department; except that a retail marijuana
15 store is not allowed to retain any portion of the retail marijuana sales tax
16 collected pursuant to this part 2 to cover the expenses of collecting and
17 remitting the tax and except that the department of revenue may require
18 a retailer to make returns and remit the tax described in this part 2 by
19 electronic means.

20 **SECTION 30.** In Colorado Revised Statutes, 39-28.8-203,
21 **amend** (1) introductory portion, (1)(a)(I), and (1)(b)(I); **repeal** (1)(a)(I.5);
22 **and add** (1)(b)(I.3) and (1)(b)(I.5) as follows:

23 **39-28.8-203. Disposition of collections - definitions.** (1) The
24 proceeds of all ~~moneys~~ MONEY collected from the retail marijuana sales
25 tax are INITIALLY credited to the old age pension fund created in section
26 1 of article XXIV of the state constitution in accordance with paragraphs
27 (a) and (f) of section 2 of article XXIV of the state constitution AND
28 THEREAFTER ARE TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE
29 WITH SECTION 7 OF ARTICLE XXIV OF THE STATE CONSTITUTION. For each
30 fiscal year in which a tax is collected pursuant to this part 2, an amount
31 shall be appropriated or distributed from the general fund as follows:

32 (a) (I) ~~Except as otherwise set forth in subparagraph (I.5) of this~~
33 ~~paragraph (a)~~ BEFORE JULY 1, 2017, an amount equal to fifteen percent
34 of the gross retail marijuana sales tax ~~revenues~~ REVENUE collected by the
35 department is apportioned to local governments. ON AND AFTER JULY 1,
36 2017, AN AMOUNT EQUAL TO TEN PERCENT OF THE GROSS RETAIL
37 MARIJUANA SALES TAX REVENUE COLLECTED BY THE DEPARTMENT IS
38 APPORTIONED TO LOCAL GOVERNMENTS. The city or town share is
39 apportioned according to the percentage that retail marijuana sales tax
40 ~~revenues~~ REVENUE collected by the department within the boundaries of
41 the city or town bear to the total retail marijuana sales tax ~~revenues~~

1 REVENUE collected by the department. The county share is apportioned
2 according to the percentage that retail marijuana sales tax revenues
3 REVENUE collected by the department in the unincorporated area of the
4 county bear to total retail marijuana sales tax revenues REVENUE
5 collected by the department.

6 ~~(I.5) If the ballot issue is placed on the November 3, 2015, ballot
7 and a majority of the electors voting thereon vote "No/Against", then
8 beginning January 1, 2016, the amount that would otherwise be
9 distributed to a local government through subparagraph (I) of this
10 paragraph (a) is halved until the total reduction that results from this
11 subparagraph (I.5) is greater than or equal to the amount that was
12 distributed to the local government under this paragraph (a) for the fiscal
13 year 2014-15. Thereafter, the local government receives the full
14 apportioned amount required by subparagraph (I) of this paragraph (a).
15 The reduction in a local government's distribution does not increase the
16 amount apportioned to other local governments.~~

17 (b) (I) UNTIL JULY 1, 2017, the state treasurer shall transfer from
18 the general fund to the marijuana tax cash fund an amount equal to
19 eighty-five percent of the gross retail marijuana sales tax revenues
20 REVENUE collected by the department.

21 (I.3) ON AND AFTER JULY 1, 2017, BUT BEFORE JULY 1, 2018, OF
22 THE NINETY PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX
23 REVENUE IN THE GENERAL FUND REMAINING AFTER THE ALLOCATION TO
24 LOCAL GOVERNMENTS REQUIRED BY SUBSECTION (1)(a)(I) OF THIS SECTION
25 IS MADE, THE STATE TREASURER SHALL RETAIN TWENTY-EIGHT AND
26 FIFTEEN ONE-HUNDREDTHS PERCENT LESS THIRTY MILLION DOLLARS IN
27 THE GENERAL FUND FOR USE FOR ANY LAWFUL PURPOSE AND SHALL
28 TRANSFER FROM THE GENERAL FUND:

29 (A) SEVENTY-ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT
30 TO THE MARIJUANA TAX CASH FUND; AND

31 (B) THIRTY MILLION DOLLARS TO THE STATE PUBLIC SCHOOL FUND
32 CREATED IN SECTION 22-54-114 (1) FOR USE AS SPECIFIED IN SECTION
33 22-54-139 (2).

34 (I.5) ON AND AFTER JULY 1, 2018, OF THE NINETY PERCENT OF THE
35 GROSS RETAIL MARIJUANA SALES TAX REVENUE IN THE GENERAL FUND
36 REMAINING AFTER THE ALLOCATION TO LOCAL GOVERNMENTS REQUIRED
37 BY SUBSECTION (1)(a)(I) OF THIS SECTION IS MADE, THE STATE TREASURER
38 SHALL RETAIN FIFTEEN AND FIFTY-SIX ONE-HUNDREDTHS PERCENT IN THE
39 GENERAL FUND FOR USE FOR ANY LAWFUL PURPOSE AND SHALL TRANSFER
40 FROM THE GENERAL FUND:

41 (A) SEVENTY-ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT

1 TO THE MARIJUANA TAX CASH FUND; AND

2 (B) TWELVE AND FIFTY-NINE ONE-HUNDREDTHS PERCENT TO THE
3 STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) FOR USE
4 AS SPECIFIED IN SECTION 22-54-139 (3).

5 **SECTION 31.** In Colorado Revised Statutes, 43-4-206, **amend**
6 (1) introductory portion, (1)(b) introductory portion, (1)(b)(V), (2)(a)
7 introductory portion, (2)(b), and (3) as follows:

8 **43-4-206. State allocation.** (1) Except as otherwise provided in
9 ~~subsection (2)~~ SUBSECTIONS (1)(a)(V), (2), AND (3) of this section, after
10 paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of
11 the department, exclusive of highway construction, highway
12 improvements, or highway maintenance, ~~as~~ THAT are appropriated by the
13 general assembly, ~~sixty-five percent of the balance of~~ MONEY IN the
14 highway users tax fund shall be paid to the state highway fund and ~~shall~~
15 ~~be~~ expended for the following purposes:

16 (b) Except as otherwise provided in subsection (2) of this section,
17 all ~~moneys~~ MONEY in the state highway fund not required for the creation,
18 maintenance, and application of the highway anticipation or sinking fund
19 and all ~~moneys~~ MONEY in the state highway supplementary fund are
20 available to pay for:

21 (V) The construction, reconstruction, repairs, improvement,
22 planning, supervision, and maintenance of the state highway system and
23 other public highways, including any county and municipal roads and
24 highways, together with the acquisition of rights-of-way and access rights
25 for the same. ANY PROCEEDS OF LEASE-PURCHASE AGREEMENTS
26 EXECUTED AS REQUIRED BY SECTION 24-82-1303 (2)(a) THAT ARE
27 CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION
28 24-82-1303 (4)(b) SHALL BE USED ONLY FOR QUALIFIED FEDERAL AID
29 HIGHWAY PROJECTS THAT ARE INCLUDED IN THE STRATEGIC
30 TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT
31 OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS
32 TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S
33 DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE
34 PERCENT OF THE MONEY BEING USED FOR PROJECTS THAT ARE LOCATED IN
35 COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY
36 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE
37 DEPARTMENT OF LOCAL AFFAIRS. NO MORE THAN NINETY PERCENT OF THE
38 PROCEEDS SHALL BE EXPENDED FOR HIGHWAY PURPOSES OR
39 HIGHWAY-RELATED CAPITAL IMPROVEMENTS, AND AT LEAST TEN PERCENT
40 OF THE PROCEEDS SHALL BE EXPENDED FOR TRANSIT PURPOSES OR FOR
41 TRANSIT-RELATED CAPITAL IMPROVEMENTS.

1 (2) (a) ~~Notwithstanding the provisions of subsection (1) of this~~
2 ~~section, the revenues~~ REVENUE accrued to and transferred to the highway
3 users tax fund pursuant to section 39-26-123 (4)(a) ~~or 24-75-219, C.R.S.,~~
4 or appropriated to the highway users tax fund pursuant to House Bill
5 02-1389, enacted at the second regular session of the sixty-third general
6 assembly, and credited to the state highway fund pursuant to section
7 43-4-205 (6.5) shall be expended by the department of transportation for
8 the implementation of the strategic transportation project investment
9 program: ~~in the following manner:~~

10 (b) Beginning in 1998, the department of transportation shall
11 report annually to the transportation committee of the senate and the
12 transportation and energy committee of the house of representatives
13 concerning the ~~revenues~~ REVENUE expended by the department pursuant
14 to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION
15 AND, BEGINNING IN 2018, ANY PROCEEDS OF LEASE-PURCHASE
16 AGREEMENTS EXECUTED AS REQUIRED BY SECTION 24-82-1303 (2)(a)
17 THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION
18 24-82-1303 (4)(b) AND EXPENDED BY THE DEPARTMENT PURSUANT TO
19 SUBSECTION (1)(b)(V) OF THIS SECTION. THE DEPARTMENT SHALL PRESENT
20 the report ~~shall be presented~~ at the joint meeting required under section
21 43-1-113 (9)(a) and THE REPORT shall describe for each fiscal year, if
22 applicable:

23 (I) The projects on which the ~~revenues credited to the state~~
24 ~~highway fund pursuant to paragraph (a) of this subsection (2)~~ REVENUE
25 AND NET PROCEEDS are to be expended, including the estimated cost of
26 each project, the aggregate amount of revenue actually spent on each
27 project, and the amount of revenue allocated for each project in such
28 fiscal year. The department of transportation shall submit a prioritized list
29 of such projects as part of the report.

30 (II) The status of such projects that the department has undertaken
31 in any previous fiscal year;

32 (III) The projected ~~amount~~ AMOUNTS of revenue AND NET
33 PROCEEDS that the department expects to receive under this subsection (2)
34 AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year;

35 (IV) The amount of revenue AND NET PROCEEDS that the
36 department has already received under this subsection (2) AND
37 SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year; and

38 (V) How the ~~revenues~~ REVENUE AND NET PROCEEDS expended
39 under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION
40 during ~~such~~ THE fiscal year ~~relate~~ RELATES to the total funding of the
41 FEDERAL AID TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE

1 strategic transportation project investment program.
 2 (3) ~~Notwithstanding the provisions of subsection (1) of this~~
 3 ~~section, the revenues~~ THE REVENUE credited to the highway users tax fund
 4 pursuant to section 43-4-205 (6.3) shall be expended by the department
 5 of transportation only for road safety projects, as defined in section
 6 43-4-803 (21); except that the department shall, in furtherance of its duty
 7 to supervise state highways and as a consequence in compliance with
 8 section 43-4-810, expend ten million dollars per year of the revenues for
 9 the planning, designing, engineering, acquisition, installation,
 10 construction, repair, reconstruction, maintenance, operation, or
 11 administration of transit-related projects, including, but not limited to,
 12 designated bicycle or pedestrian lanes of highway and infrastructure
 13 needed to integrate different transportation modes within a multimodal
 14 transportation system, that enhance the safety of state highways for transit
 15 users.

16 **SECTION 32. Appropriation - adjustments to 2017 long bill.**

17 (1) To implement this act, the general fund appropriations made in the
 18 annual general appropriation act for the 2017-18 state fiscal year to the
 19 department of health care policy and financing are decreased by \$320,035
 20 for medical services premiums.

21 (2) To implement this act, cash funds appropriations made in the
 22 annual general appropriation act for the 2017-18 state fiscal year from the
 23 hospital provider fee cash fund, created in section 25.5-4-402.3 (4)(a),
 24 C.R.S., to the department of health care policy and financing are
 25 decreased by \$597,380,996 as follows:

26	Executive director's office, general administration	
27	Personal services	\$2,480,099
28	Health, life, and dental	\$278,894
29	Short-term disability	\$3,870
30	S.B. 04-257 amortization equalization disbursement	\$107,750
31	S.B. 06-235 supplemental amortization	
32	equalization disbursement	\$107,748
33	Salary survey	\$26,618
34	Merit pay	\$13,447
35	Operating expenses	\$57,372
36	Legal services	\$123,811
37	Administrative law judge services	\$72,169
38	Leased space	\$247,365
39	Payments to OIT	\$378,109
40	CORE operations	\$148,145
41	General professional services and special projects	\$1,202,500

1	Executive director's office, information technology	
2	contracts and projects	
3	Medicaid management information system	
4	maintenance and projects	\$3,794,276
5	Medicaid management information system	
6	reprocurement contracts	\$708,606
7	Colorado benefits management systems, operating	
8	and contract expenses	\$3,450,954
9	Colorado benefits management systems, health care	
10	and economic security staff development center	\$95,832
11	Executive director's office, eligibility determinations and	
12	client services	
13	Medical identification cards	\$43,200
14	Contracts for special eligibility determinations	\$4,338,468
15	Hospital provider fee county administration	\$4,945,446
16	Medical assistance sites	\$402,984
17	Customer outreach	\$336,621
18	Centralized eligibility vendor contract project	\$1,745,342
19	Executive director's office, utilization and quality review	
20	contracts	
21	Professional services contracts	\$372,339
22	Executive director's office, provider audits and services	
23	Professional audit contracts	\$250,000
24	Executive director's office, indirect cost recoveries	
25	Indirect cost assessment	\$218,771
26	Medical services premiums	
27	Medical and long-term care services for	
28	medicaid eligible individuals	\$380,854,898
29	Behavioral health community programs	
30	Behavioral health capitation payments	\$25,785,121
31	Behavioral health fee-for-service payments	\$373,007
32	Office of community living	
33	Support level administration	\$221
34	Adult supported living services	\$133,235
35	Case management	\$28,272
36	Indigent care program	
37	Safety net provider payments	\$155,648,093
38	Children's basic health plan administration	\$2,416
39	Children's basic health plan medical and	
40	dental costs	\$8,604,997
41	(3) For the 2017-18 state fiscal year, \$861,416,161 is appropriated	

1 to the department of health care policy and financing. This appropriation
 2 is from the healthcare affordability and sustainability fee cash fund
 3 created in section 25.5-4-402.4 (5), C.R.S. To implement this act, the
 4 department may use this appropriation as follows:

5	Executive director's office, general administration	
6	Personal services	\$2,480,099
7	Health, life, and dental	\$278,894
8	Short-term disability	\$3,870
9	S.B. 04-257 amortization equalization disbursement	\$107,750
10	S.B. 06-235 supplemental amortization	
11	equalization disbursement	\$107,748
12	Salary survey	\$26,618
13	Merit pay	\$13,447
14	Operating expenses	\$57,372
15	Legal services	\$123,811
16	Administrative law judge services	\$72,169
17	Leased space	\$247,365
18	Payments to OIT	\$378,109
19	CORE operations	\$148,145
20	General professional services and special projects	\$1,202,500
21	Executive director's office, information technology	
22	Contracts and projects	
23	Medicaid management information system	
24	maintenance and projects	\$3,794,276
25	Medicaid management information system	
26	reprocurement contracts	\$708,606
27	Colorado benefits management systems, operating	
28	and contract expenses	\$3,450,954
29	Colorado benefits management systems, health care	
30	and economic security staff development center	\$95,832
31	Executive director's office, eligibility determinations and	
32	client services	
33	Medical identification cards	\$43,200
34	Contracts for special eligibility determinations	\$4,338,468
35	Hospital provider fee county administration	\$4,945,446
36	Medical assistance sites	\$402,984
37	Customer outreach	\$336,621
38	Centralized eligibility vendor contract project	\$1,745,342
39	Executive director's office, utilization and quality review	
40	contracts	
41	Professional services contracts	\$372,339

1	Executive director's office, provider audits and services	
2	Professional audit contracts	\$250,000
3	Executive director's office, indirect cost recoveries	
4	Indirect cost assessment	\$218,771
5	Medical services premiums	
6	Medical and long-term care services for	
7	medicaid eligible individuals	\$644,809,063
8	Behavioral health community programs	
9	Behavioral health capitation payments	\$25,785,121
10	Behavioral health fee-for-service payments	\$373,007
11	Office of community living	
12	Support level administration	\$221
13	Adult supported living services	\$133,235
14	Case management	\$28,272
15	Indigent care program	
16	Safety net provider payments	\$155,648,093
17	Children's basic health plan administration	\$2,416
18	Children's basic health plan medical and	
19	dental costs	\$8,604,997

20 (4) For the 2017-18 state fiscal year, the general assembly
21 anticipates that the department of health care policy and financing will
22 receive \$262,665,969 in federal funds to implement this act. The
23 appropriation in subsection (2) of this section is based on the assumption
24 that the department will receive this amount of federal funds to be used
25 for medical services premiums.

26 **SECTION 33. Appropriation.** For the 2016-17 state fiscal year,
27 \$3,750 is appropriated to the department of revenue. This appropriation
28 is from the general fund. To implement this act, the department may use
29 this appropriation for tax administration IT system (GenTax) support.

30 **SECTION 34. Effective date.** (1) Except as otherwise provided
31 in this section, this act takes effect upon passage.

32 (2) Sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act
33 take effect July 1, 2017.

34 (3) (a) Sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this
35 act do not take effect if the centers for medicare and medicaid services
36 determine that the amendments set forth in sections 2, 3, 6, 7, 11, 13, 15
37 through 20, 22, and 32 act do not comply with federal law.

38 (b) If the centers for medicare and medicaid services make the
39 determination described in subsection (3)(a) of this section, the executive
40 director of the department of health care policy and financing shall, no
41 later than June 1, 2017, notify the revisor of statutes in writing of that

1 determination by e-mailing the notice to revisorofstatutes.ga@state.co.us.
2 **SECTION 35. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety."

** *** ** *** **