

**First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 19-0686.01 Jerry Barry x4341

**HOUSE BILL 19-1237**

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**HOUSE SPONSORSHIP**

**Cutter,**

**SENATE SPONSORSHIP**

**(None),**

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**House Committees**

Public Health Care & Human Services

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING LICENSING BEHAVIORAL HEALTH ENTITIES.**

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**Bill Summary**

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

Currently, certain entities that provide behavioral health services must hold various licenses issued by the department of public health and environment (DPHE) or the department of human services (DHS). The bill combines the various licenses into a single license as a behavioral health entity (BHE) and authorizes the state board of health to promulgate rules for the new license.

To accomplish the transition, the bill establishes a behavioral health entity implementation and advisory committee consisting of

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

executive directors of certain state departments, or the director's designee, and representatives from various stakeholder groups.

The bill requires a BHE that was previously licensed by DPHE to obtain a BHE license by July 1, 2022. It requires a BHE that was previously licensed or approved by DHS to obtain a BHE license by July 1, 2024.

The bill makes conforming amendments, some of which have later effective dates.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 27.6 to  
3 title 25 as follows:

4 **ARTICLE 27.6**

5 **Behavioral Health Entities**

6 **25-27.6-101. Legislative declaration.** (1) THE GENERAL  
7 ASSEMBLY DECLARES THAT IN ORDER TO PROMOTE THE PUBLIC HEALTH  
8 AND WELFARE OF THE PEOPLE OF COLORADO, IT IS IN THE PUBLIC INTEREST  
9 TO ESTABLISH AND STREAMLINE MINIMUM STANDARDS AND RULES FOR  
10 BEHAVIORAL HEALTH ENTITIES OPERATING IN THE STATE OF COLORADO  
11 AND TO PROVIDE THE AUTHORITY FOR THE ADMINISTRATION AND  
12 ENFORCEMENT OF SUCH MINIMUM STANDARDS AND RULES. THESE  
13 STANDARDS AND RULES MUST BE SUFFICIENT TO ENSURE THE HEALTH,  
14 SAFETY, AND WELFARE OF BEHAVIORAL HEALTH ENTITY CONSUMERS.

15 (2) THE INTENT OF CREATING THE BEHAVIORAL HEALTH ENTITY  
16 LICENSE IS TO:

17 (a) PROVIDE A SINGLE, FLEXIBLE LICENSE CATEGORY UNDER  
18 WHICH COMMUNITY-BASED BEHAVIORAL HEALTH SERVICE PROVIDERS CAN  
19 PROVIDE INTEGRATED MENTAL HEALTH DISORDER, ALCOHOL USE  
20 DISORDER, AND SUBSTANCE USE DISORDER SERVICES AND MEET A  
21 CONSUMER'S CONTINUUM OF NEEDS, FROM CRISIS STABILIZATION TO

1 ONGOING TREATMENT;

2 (b) PROVIDE A REGULATORY FRAMEWORK FOR INNOVATIVE  
3 BEHAVIORAL HEALTH SERVICE DELIVERY MODELS TO MEET THE NEEDS OF  
4 BOTH INDIVIDUALS AND COMMUNITIES;

5 (c) INCREASE PARITY IN THE OVERSIGHT AND PROTECTION OF  
6 CONSUMERS' HEALTH, SAFETY, AND WELFARE BETWEEN PHYSICAL HEALTH  
7 AND BEHAVIORAL HEALTH REGARDLESS OF THE PAYMENT SOURCE; AND

8 (d) STREAMLINE AND CONSOLIDATE THE CURRENT REGULATORY  
9 STRUCTURE TO ENHANCE COMMUNITY PROVIDERS' ABILITY TO DELIVER  
10 TIMELY AND NEEDED SERVICES, WHILE ENSURING CONSUMER SAFETY.

11 (3) FURTHER, THE GENERAL ASSEMBLY DETERMINES AND  
12 DECLARES THAT, IN ADMINISTERING AND ENFORCING STANDARDS FOR  
13 BEHAVIORAL HEALTH ENTITIES, THE DEPARTMENT OF PUBLIC HEALTH AND  
14 ENVIRONMENT SHOULD FOCUS ON BEHAVIORAL HEALTH ENTITY  
15 CONSUMER SAFETY AND OUTCOMES; REDUCING REGULATORY GAPS,  
16 DUPLICATION, AND CONFLICTS THAT HINDER ACCESS TO CARE; AND  
17 ALLOWING FOR NEW, INNOVATIVE BEHAVIORAL HEALTH SERVICE TYPES  
18 WITH MINIMAL BARRIERS.

19 (4) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE  
20 BEHAVIORAL HEALTH ENTITY LICENSE IS IMPLEMENTED IN TWO SEPARATE  
21 PHASES AS FOLLOWS:

22 (a) PHASE ONE IMPLEMENTATION INCLUDES THE INCORPORATION  
23 OF A FACILITY CURRENTLY LICENSED OR PREVIOUSLY ELIGIBLE FOR  
24 LICENSURE AS AN ACUTE TREATMENT UNIT OR AS A COMMUNITY MENTAL  
25 HEALTH CENTER, COMMUNITY MENTAL HEALTH CLINIC, OR CRISIS  
26 STABILIZATION UNIT THAT WAS LICENSED AS A COMMUNITY CLINIC. SUCH  
27 A FACILITY WILL TRANSITION TO THE BEHAVIORAL HEALTH ENTITY

1 LICENSE NO LATER THAN JULY 1, 2022, IN ACCORDANCE WITH SECTION  
2 25-27.6-104 (1).

3 (b) PHASE TWO IMPLEMENTATION INCLUDES THE INCORPORATION  
4 OF BEHAVIORAL HEALTH ENTITIES THAT PROVIDE BEHAVIORAL HEALTH  
5 SERVICES FOR THE TREATMENT OF ALCOHOL USE DISORDERS AND  
6 SUBSTANCE USE DISORDERS; EXCEPT THAT PHASE TWO SHALL NOT  
7 INCLUDE CONTROLLED SUBSTANCE LICENSES CURRENTLY ISSUED BY THE  
8 DEPARTMENT OF HUMAN SERVICES, WHICH SHALL BE STUDIED BY THE  
9 BEHAVIORAL HEALTH ENTITY IMPLEMENTATION AND ADVISORY  
10 COMMITTEE ESTABLISHED PURSUANT TO SECTION 25-27.6-103. SUCH  
11 ENTITIES SHALL APPLY FOR LICENSURE AS BEHAVIORAL HEALTH ENTITIES  
12 NO LATER THAN JULY 1, 2024, IN ACCORDANCE WITH SECTION 25-27.6-104  
13 (1).

14 **25-27.6-102. Definitions.** AS USED IN THIS ARTICLE 27.6, UNLESS  
15 THE CONTEXT OTHERWISE REQUIRES:

16 (1) "ACUTE TREATMENT UNIT" MEANS A FACILITY OR A DISTINCT  
17 PART OF A FACILITY FOR SHORT-TERM PSYCHIATRIC CARE, WHICH MAY  
18 INCLUDE TREATMENT FOR SUBSTANCE USE DISORDERS, THAT PROVIDES A  
19 TOTAL, TWENTY-FOUR-HOUR, THERAPEUTICALLY PLANNED AND  
20 PROFESSIONALLY STAFFED ENVIRONMENT FOR PERSONS WHO DO NOT  
21 REQUIRE INPATIENT HOSPITALIZATION BUT NEED MORE INTENSE AND  
22 INDIVIDUAL SERVICES THAN ARE AVAILABLE ON AN OUTPATIENT BASIS,  
23 SUCH AS CRISIS MANAGEMENT AND STABILIZATION SERVICES.

24 (2) "ALCOHOL USE DISORDER" MEANS A CHRONIC RELAPSING  
25 BRAIN DISEASE CHARACTERIZED BY RECURRENT USE OF ALCOHOL CAUSING  
26 CLINICALLY SIGNIFICANT IMPAIRMENT, INCLUDING HEALTH PROBLEMS,  
27 DISABILITY, AND FAILURE TO MEET MAJOR RESPONSIBILITIES AT WORK,

1 SCHOOL, AND HOME.

2 (3) "ALCOHOL USE DISORDER PROGRAM" MEANS A PROGRAM FOR  
3 DIAGNOSIS, TREATMENT, AND REHABILITATION OF A PERSON WITH AN  
4 ALCOHOL USE DISORDER.

5 (4) "BEHAVIORAL HEALTH" REFERS TO AN INDIVIDUAL'S MENTAL  
6 ANDEMOITIONAL WELL-BEING AND ACTIONS THAT AFFECT AN INDIVIDUAL'S  
7 OVERALL WELLNESS. BEHAVIORAL HEALTH ISSUES AND DISORDERS  
8 INCLUDE SUBSTANCE USE DISORDERS, SERIOUS PSYCHOLOGICAL DISTRESS,  
9 SUICIDE, AND OTHER MENTAL HEALTH DISORDERS, AND RANGE FROM  
10 UNHEALTHY STRESS OR SUBCLINICAL CONDITIONS TO DIAGNOSABLE AND  
11 TREATABLE DISEASES. THE TERM "BEHAVIORAL HEALTH" IS ALSO USED TO  
12 DESCRIBE SERVICE SYSTEMS THAT ENCOMPASS PREVENTION AND  
13 PROMOTION OF EMOTIONAL HEALTH AND PREVENTION AND TREATMENT  
14 SERVICES FOR MENTAL HEALTH AND SUBSTANCE USE DISORDERS.

15 (5) "BEHAVIORAL HEALTH DISORDER" MEANS ONE OR MORE OF THE  
16 FOLLOWING:

17 (a) AN ALCOHOL USE DISORDER AS DEFINED IN SUBSECTION (2) OF  
18 THIS SECTION;

19 (b) A MENTAL HEALTH DISORDER, AS DEFINED IN SUBSECTION (12)  
20 OF THIS SECTION; OR

21 (c) A SUBSTANCE USE DISORDER, AS DEFINED IN SUBSECTION (14)  
22 OF THIS SECTION.

23 (6) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR  
24 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED  
25 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER  
26 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE  
27 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR

1 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES  
2 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

3 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION  
4 26-6-102 (33); OR

5 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL  
6 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL  
7 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

8 (7) "COMMUNITY-BASED" MEANS OUTSIDE OF A HOSPITAL,  
9 PSYCHIATRIC HOSPITAL, OR NURSING HOME.

10 (8) "COMMUNITY MENTAL HEALTH CENTER" HAS THE SAME  
11 MEANING AS DEFINED IN SECTION 27-66-101 (2).

12 (9) "COMMUNITY MENTAL HEALTH CLINIC" MEANS A HEALTH  
13 INSTITUTION PLANNED, ORGANIZED, OPERATED, AND MAINTAINED TO  
14 PROVIDE BASIC COMMUNITY SERVICES FOR THE PREVENTION, DIAGNOSIS,  
15 AND TREATMENT OF EMOTIONAL, BEHAVIORAL, OR MENTAL HEALTH  
16 DISORDERS, SUCH SERVICES BEING RENDERED PRIMARILY ON AN  
17 OUTPATIENT AND CONSULTATIVE BASIS.

18 (10) "CRISIS STABILIZATION UNIT" MEANS A FACILITY THAT  
19 PROVIDES SHORT-TERM, BED-BASED CRISIS STABILIZATION SERVICES IN A  
20 TWENTY-FOUR-HOUR ENVIRONMENT FOR INDIVIDUALS WHO CANNOT BE  
21 SERVED IN A LESS RESTRICTIVE ENVIRONMENT.

22 (11) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF  
23 PUBLIC HEALTH AND ENVIRONMENT.

24 (12) "MENTAL HEALTH DISORDER" MEANS ONE OR MORE  
25 SUBSTANTIAL DISORDERS OF THE COGNITIVE, VOLITIONAL, OR EMOTIONAL  
26 PROCESSES THAT GROSSLY IMPAIRS JUDGMENT OR CAPACITY TO  
27 RECOGNIZE REALITY OR TO CONTROL BEHAVIOR. AN INTELLECTUAL OR

1 DEVELOPMENTAL DISABILITY ALONE IS INSUFFICIENT TO EITHER JUSTIFY  
2 OR EXCLUDE A FINDING OF A MENTAL HEALTH DISORDER.

3 (13) "STATE BOARD" MEANS THE STATE BOARD OF HEALTH.

4 (14) "SUBSTANCE USE DISORDER" MEANS A CHRONIC RELAPSING  
5 BRAIN DISEASE, CHARACTERIZED BY RECURRENT USE OF ALCOHOL, DRUGS,  
6 OR BOTH, CAUSING CLINICALLY SIGNIFICANT IMPAIRMENT, INCLUDING  
7 HEALTH PROBLEMS, DISABILITY, AND FAILURE TO MEET MAJOR  
8 RESPONSIBILITIES AT WORK, SCHOOL, OR HOME.

9 (15) "SUBSTANCE USE DISORDER PROGRAM" MEANS A PROGRAM  
10 FOR THE DETOXIFICATION, WITHDRAWAL, OR MAINTENANCE TREATMENT  
11 OF A PERSON WITH A SUBSTANCE USE DISORDER.

12 **25-27.6-103. Behavioral health entity implementation and**  
13 **advisory committee - creation - membership - duties - repeal.**

14 (1) THERE IS ESTABLISHED IN THE DEPARTMENT THE BEHAVIORAL HEALTH  
15 ENTITY IMPLEMENTATION AND ADVISORY COMMITTEE, REFERRED TO IN  
16 THIS SECTION AS THE "COMMITTEE". THE COMMITTEE SHALL:

17 (a) OFFER ADVICE TO THE DEPARTMENT AND THE STATE BOARD  
18 CONCERNING THE PHASED-IN IMPLEMENTATION OF THE BEHAVIORAL  
19 HEALTH ENTITY LICENSE, RULES PROMULGATED BY THE STATE BOARD  
20 PURSUANT TO THIS ARTICLE 27.6, AND IMPLEMENTATION OF THE  
21 BEHAVIORAL HEALTH ENTITY LICENSING TRANSITION;

22 (b) PROVIDE ONGOING ADVICE TO THE DEPARTMENT REGARDING  
23 BEHAVIORAL HEALTH ENTITIES AND BEHAVIORAL HEALTH ENTITY  
24 LICENSING; AND

25 (c) IDENTIFY A COORDINATED AND ALIGNED PROCESS OF SHARING  
26 INFORMATION ACROSS STATE DEPARTMENTS TO ENSURE BEHAVIORAL  
27 HEALTH SERVICES ARE AVAILABLE TO ALL RESIDENTS OF COLORADO.

1           (2) (a) THE COMMITTEE CONSISTS OF:

2           (I) THE EXECUTIVE DIRECTORS OF THE DEPARTMENTS OF PUBLIC  
3 HEALTH AND ENVIRONMENT, HUMAN SERVICES, HEALTH CARE POLICY AND  
4 FINANCING, AND PUBLIC SAFETY OR THEIR DESIGNEES; AND

5           (II) THE FOLLOWING MEMBERS TO BE APPOINTED BY THE  
6 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND  
7 ENVIRONMENT:

8           (A) ONE MEMBER THAT REPRESENTS CRISIS STABILIZATION UNITS  
9 OR ACUTE TREATMENT UNITS;

10          (B) ONE MEMBER THAT REPRESENTS COMMUNITY MENTAL HEALTH  
11 CENTERS;

12          (C) ONE MEMBER THAT REPRESENTS A MENTAL HEALTH PROVIDER  
13 THAT IS NOT A COMMUNITY MENTAL HEALTH CENTER;

14          (D) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE  
15 USE DISORDER TREATMENT SERVICES;

16          (E) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE  
17 USE DISORDER WITHDRAWAL MANAGEMENT SERVICES;

18          (F) ONE MEMBER THAT REPRESENTS A PROVIDER OF SUBSTANCE  
19 USE DISORDER SERVICES THAT MEETS THE DEFINITION OF BEHAVIORAL  
20 HEALTH ENTITY IN SECTION 25-27.6-102 (6) BUT HAS NOT BEEN SUBJECT  
21 TO LICENSURE BY THE DEPARTMENT;

22          (G) ONE MEMBER THAT REPRESENTS BEHAVIORAL HEALTH  
23 CONSUMERS;

24          (H) ONE MEMBER THAT REPRESENTS FAMILY MEMBERS OF  
25 PERSONS WITH A BEHAVIORAL HEALTH DISORDER; AND

26          (I) ONE MEMBER FROM AN ADVOCACY ORGANIZATION THAT  
27 REPRESENTS BEHAVIORAL HEALTH CONSUMERS.



1 (b) IN MAKING THE APPOINTMENTS PURSUANT TO SUBSECTION  
2 (2)(a)(II), THE EXECUTIVE DIRECTOR SHALL CONSIDER THE GEOGRAPHIC  
3 DIVERSITY OF THE STATE.

4 (3) THE EXECUTIVE DIRECTORS SHALL AGREE TO SERVE OR MAKE  
5 THEIR DESIGNATIONS NO LATER THAN SEPTEMBER 1, 2019. THE  
6 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND  
7 ENVIRONMENT SHALL MAKE HIS OR HER INITIAL APPOINTMENTS BY  
8 OCTOBER 1, 2019. IN CASE OF A VACANCY, AN EXECUTIVE DIRECTOR  
9 SHALL AGREE TO SERVE OR MAKE A DESIGNATION, AND THE EXECUTIVE  
10 DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
11 SHALL MAKE THE REPLACEMENT APPOINTMENT AS SOON AS PRACTICABLE.

12 (4) MEMBERS OF THE COMMITTEE SERVE ON A VOLUNTARY BASIS  
13 AND SERVE WITHOUT COMPENSATION; EXCEPT THAT MEMBERS ARE  
14 REIMBURSED FOR THE ACTUAL AND REASONABLE EXPENSES INCURRED  
15 WHILE PERFORMING THEIR DUTIES.

16 (5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.  
17 BEFORE THE REPEAL, THE COMMITTEE IS SCHEDULED FOR REVIEW IN  
18 ACCORDANCE WITH SECTION 2-3-1203.

19 **25-27.6-104. License required - criminal and civil penalties.**

20 (1) (a) ON OR AFTER JULY 1, 2022, IT IS UNLAWFUL FOR ANY PERSON,  
21 PARTNERSHIP, ASSOCIATION, OR CORPORATION TO CONDUCT OR MAINTAIN  
22 A BEHAVIORAL HEALTH ENTITY WITHOUT HAVING OBTAINED A LICENSE  
23 FROM THE DEPARTMENT.

24 (b) ON OR AFTER JULY 1, 2021, AN ENTITY SEEKING INITIAL  
25 LICENSURE AS A BEHAVIORAL HEALTH ENTITY SHALL APPLY FOR A  
26 BEHAVIORAL HEALTH ENTITY LICENSE IF THE ENTITY WOULD PREVIOUSLY  
27 HAVE BEEN LICENSED AS AN ACUTE TREATMENT UNIT OR AS A COMMUNITY

1 MENTAL HEALTH CENTER, COMMUNITY MENTAL HEALTH CLINIC, OR CRISIS  
2 STABILIZATION UNIT LICENSED AS A COMMUNITY CLINIC.

3 (c) A FACILITY LICENSED AS OF JUNE 30, 2021, AS AN ACUTE  
4 TREATMENT UNIT, COMMUNITY MENTAL HEALTH CENTER, COMMUNITY  
5 MENTAL HEALTH CLINIC, OR CRISIS STABILIZATION UNIT LICENSED AS A  
6 COMMUNITY CLINIC SHALL APPLY FOR A BEHAVIORAL HEALTH ENTITY  
7 LICENSE PRIOR TO THE EXPIRATION OF THE FACILITY'S CURRENT LICENSE.  
8 SUCH A FACILITY IS SUBJECT TO THE STANDARDS UNDER WHICH IT IS  
9 LICENSED AS OF JULY 1, 2021, UNTIL SUCH TIME AS THE BEHAVIORAL  
10 HEALTH ENTITY LICENSE IS ISSUED.

11 (2) ANY PERSON WHO VIOLATES THE PROVISIONS OF THIS SECTION  
12 IS GUILTY OF A MISDEMEANOR, AND UPON CONVICTION THEREOF, SHALL  
13 BE PUNISHED BY A FINE OF NOT LESS THAN FIFTY DOLLARS NOR MORE  
14 THAN FIVE HUNDRED DOLLARS AND MAY BE SUBJECT TO A CIVIL PENALTY  
15 ASSESSED BY THE DEPARTMENT OF NOT LESS THAN FIFTY DOLLARS NOR  
16 MORE THAN ONE HUNDRED DOLLARS FOR EACH DAY THE PERSON IS IN  
17 VIOLATION OF THIS SECTION. THE ASSESSED PENALTY ACCRUES FROM THE  
18 DATE THE DEPARTMENT FINDS THAT THE PERSON IS IN VIOLATION OF THIS  
19 SECTION. THE DEPARTMENT SHALL ASSESS, ENFORCE, AND COLLECT THE  
20 PENALTY IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24 AND CREDIT THE  
21 MONEY TO THE GENERAL FUND. ENFORCEMENT AND COLLECTION OF THE  
22 PENALTY OCCURS FOLLOWING THE DECISION REACHED IN ACCORDANCE  
23 WITH PROCEDURES SET FORTH IN SECTION 24-4-105.

24 **25-27.6-105. Minimum standards for behavioral health**  
25 **entities - rules.** (1) ON OR BEFORE APRIL 30, 2021, THE STATE BOARD  
26 SHALL PROMULGATE RULES PURSUANT TO SECTION 24-4-103 PROVIDING  
27 MINIMUM STANDARDS FOR THE OPERATION OF BEHAVIORAL HEALTH

1 ENTITIES WITHIN THE STATE. IN PROMULGATING THE RULES, THE STATE  
2 BOARD SHALL ESTABLISH REQUIREMENTS APPROPRIATE TO THE VARIOUS  
3 TYPES OF SERVICES PROVIDED BY BEHAVIORAL HEALTH ENTITIES.

4 (2) ON OR BEFORE APRIL 30, 2021, THE STATE BOARD SHALL  
5 PROMULGATE RULES THAT MUST INCLUDE THE FOLLOWING:

6 (a) BASIC REQUIREMENTS TO BE MET BY ALL BEHAVIORAL HEALTH  
7 ENTITIES TO ENSURE THE HEALTH, SAFETY, AND WELFARE OF ALL  
8 BEHAVIORAL HEALTH ENTITY CONSUMERS, INCLUDING, AT A MINIMUM:

9 (I) CONSUMER ASSESSMENT, CARE COORDINATION, PATIENT  
10 RIGHTS, AND CONSUMER NOTICE REQUIREMENTS;

11 (II) ADMINISTRATIVE AND OPERATIONAL STANDARDS FOR  
12 GOVERNANCE; CONSUMER RECORDS AND RECORD RETENTION; PERSONNEL,  
13 ADMISSION, AND DISCHARGE CRITERIA; POLICIES AND PROCEDURES; AND  
14 QUALITY MANAGEMENT;

15 (III) PHYSICAL PLANT STANDARDS, INCLUDING INFECTION  
16 CONTROL; AND

17 (IV) OCCURRENCE REPORTING REQUIREMENTS PROMULGATED  
18 PURSUANT TO SECTION 25-1-124;

19 (b) SERVICE-SPECIFIC REQUIREMENTS THAT APPLY ONLY TO  
20 BEHAVIORAL HEALTH ENTITIES ELECTING TO PROVIDE THAT SERVICE,  
21 INCLUDING, AT A MINIMUM, STANDARDS FOR THE SERVICES INCLUDED IN  
22 THE DEFINITIONS IN SECTION 25-27.6-102 OF ACUTE TREATMENT UNIT,  
23 COMMUNITY MENTAL HEALTH CENTER, COMMUNITY MENTAL HEALTH  
24 CLINIC, CRISIS STABILIZATION UNIT, AND WALK-IN CENTERS THAT MEET  
25 THE REGULATORY REQUIREMENTS FOR LICENSING AND OPERATIONS;

26 (c) MANDATORY DEPARTMENT INSPECTIONS OF BEHAVIORAL  
27 HEALTH ENTITIES;

1 (d) BEHAVIORAL HEALTH ENTITY WRITTEN PLANS, DETAILING THE  
2 MEASURES THAT WILL BE TAKEN TO CORRECT VIOLATIONS FOUND AS A  
3 RESULT OF INSPECTIONS, SUBMITTED TO THE DEPARTMENT FOR APPROVAL;

4 (e) INTERMEDIATE ENFORCEMENT REMEDIES IMPOSED BY THE  
5 DEPARTMENT AS AUTHORIZED IN SECTION 25-27.6-110 (2)(b);

6 (f) FACTORS FOR BEHAVIORAL HEALTH ENTITIES TO CONSIDER  
7 WHEN DETERMINING WHETHER AN APPLICANT'S CONVICTION OF OR PLEA  
8 OF GUILTY OR NOLO CONTENDERE TO AN OFFENSE DISQUALIFIES THE  
9 APPLICANT FROM EMPLOYMENT WITH THE BEHAVIORAL HEALTH ENTITY.  
10 THE STATE BOARD MAY DETERMINE WHICH OFFENSES REQUIRE  
11 CONSIDERATION OF THESE FACTORS.

12 (g) TIMELINES FOR COMPLIANCE WITH BEHAVIORAL HEALTH  
13 ENTITY STANDARDS THAT EXCEED THE STANDARDS UNDER WHICH A  
14 BEHAVIORAL HEALTH ENTITY WAS PREVIOUSLY LICENSED OR APPROVED.

15 **25-27.6-106. License - application - inspection - issuance.**

16 (1) AN APPLICATION FOR A LICENSE TO OPERATE A BEHAVIORAL HEALTH  
17 ENTITY MUST BE SUBMITTED TO THE DEPARTMENT ANNUALLY UPON THE  
18 FORM AND IN THE MANNER AS PRESCRIBED BY THE DEPARTMENT.

19 (2) (a) (I) THE DEPARTMENT SHALL INVESTIGATE AND REVIEW  
20 EACH ORIGINAL APPLICATION AND EACH RENEWAL APPLICATION FOR A  
21 LICENSE TO OPERATE A BEHAVIORAL HEALTH ENTITY. THE DEPARTMENT  
22 SHALL DETERMINE AN APPLICANT'S COMPLIANCE WITH THIS ARTICLE 27.6  
23 AND THE RULES ADOPTED PURSUANT TO SECTION 25-27.6-105 BEFORE THE  
24 DEPARTMENT ISSUES A LICENSE.

25 (II) THE DEPARTMENT SHALL MAKE INSPECTIONS OF THE  
26 APPLICANT'S FACILITIES AS IT DEEMS NECESSARY TO ENSURE THAT THE  
27 HEALTH, SAFETY, AND WELFARE OF THE BEHAVIORAL HEALTH ENTITY'S

1 CONSUMERS ARE BEING PROTECTED. THE BEHAVIORAL HEALTH ENTITY  
2 SHALL SUBMIT IN WRITING, IN A FORM PRESCRIBED BY THE DEPARTMENT,  
3 A PLAN DETAILING THE MEASURES THAT WILL BE TAKEN TO CORRECT ANY  
4 VIOLATIONS FOUND BY THE DEPARTMENT AS A RESULT OF INSPECTIONS  
5 UNDERTAKEN PURSUANT TO THIS SUBSECTION (2).

6 (b) THE DEPARTMENT SHALL KEEP ALL HEALTH CARE  
7 INFORMATION OR DOCUMENTS OBTAINED DURING AN INSPECTION OR  
8 INVESTIGATION OF A BEHAVIORAL HEALTH ENTITY PURSUANT TO  
9 SUBSECTION (2)(a) OF THIS SECTION CONFIDENTIAL. ALL RECORDS,  
10 INFORMATION, OR DOCUMENTS SO OBTAINED ARE EXEMPT FROM  
11 DISCLOSURE PURSUANT TO SECTIONS 24-72-204 AND 25-1-124.

12 (3) (a) WITH THE SUBMISSION OF AN APPLICATION FOR A LICENSE  
13 TO OPERATE A BEHAVIORAL HEALTH ENTITY, OR WITHIN TEN DAYS AFTER  
14 A CHANGE IN OWNER OR MANAGER OF A BEHAVIORAL HEALTH ENTITY,  
15 EACH OWNER AND MANAGER SHALL SUBMIT A COMPLETE SET OF HIS OR  
16 HER FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE  
17 PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL HISTORY  
18 RECORD CHECK. THE COLORADO BUREAU OF INVESTIGATION SHALL  
19 FORWARD THE FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION  
20 FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY  
21 RECORD CHECKS. EACH OWNER AND EACH MANAGER SHALL PAY THE  
22 BUREAU THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED CRIMINAL  
23 HISTORY RECORD CHECK. UPON COMPLETION OF THE CRIMINAL HISTORY  
24 RECORD CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO THE  
25 DEPARTMENT. THE DEPARTMENT MAY ACQUIRE A NAME-BASED CRIMINAL  
26 HISTORY RECORD CHECK FOR AN APPLICANT WHO HAS TWICE SUBMITTED  
27 TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE

1 FINGERPRINTS ARE UNCLASSIFIABLE.

2 (b) THE DEPARTMENT SHALL USE THE INFORMATION FROM THE  
3 CRIMINAL HISTORY RECORD CHECKS PERFORMED PURSUANT TO  
4 SUBSECTION (3)(a) OF THIS SECTION TO DETERMINE WHETHER THE PERSON  
5 APPLYING FOR LICENSURE HAS BEEN CONVICTED OF A FELONY OR  
6 MISDEMEANOR THAT INVOLVES CONDUCT THAT THE DEPARTMENT  
7 DETERMINES COULD POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF  
8 BEHAVIORAL HEALTH ENTITY CONSUMERS. THE DEPARTMENT SHALL KEEP  
9 INFORMATION OBTAINED IN ACCORDANCE WITH THIS SECTION  
10 CONFIDENTIAL.

11 (4) THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO OPERATE A  
12 BEHAVIORAL HEALTH ENTITY IF THE OWNER OR MANAGER OF THE  
13 BEHAVIORAL HEALTH ENTITY HAS BEEN CONVICTED OF A FELONY OR  
14 MISDEMEANOR THAT INVOLVES CONDUCT THAT THE DEPARTMENT  
15 DETERMINES COULD POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF  
16 THE BEHAVIORAL HEALTH ENTITY'S CONSUMERS.

17 (5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS  
18 SECTION, THE DEPARTMENT SHALL ISSUE OR RENEW A LICENSE TO  
19 OPERATE A BEHAVIORAL HEALTH ENTITY WHEN IT IS SATISFIED THAT THE  
20 APPLICANT OR LICENSEE IS IN COMPLIANCE WITH THE REQUIREMENTS SET  
21 FORTH IN THIS ARTICLE 27.6 AND THE RULES PROMULGATED PURSUANT TO  
22 THIS ARTICLE 27.6. EXCEPT FOR PROVISIONAL LICENSES ISSUED IN  
23 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION, A LICENSE ISSUED  
24 OR RENEWED PURSUANT TO THIS SECTION EXPIRES ONE YEAR AFTER THE  
25 DATE OF ISSUANCE OR RENEWAL.

26 (6) THE DEPARTMENT MAY ISSUE A PROVISIONAL LICENSE TO  
27 OPERATE A BEHAVIORAL HEALTH ENTITY TO AN APPLICANT FOR THE

1 PURPOSE OF OPERATING A BEHAVIORAL HEALTH ENTITY FOR A PERIOD OF  
2 NINETY DAYS IF THE APPLICANT IS TEMPORARILY UNABLE TO CONFORM TO  
3 ALL OF THE MINIMUM STANDARDS REQUIRED PURSUANT TO THIS ARTICLE  
4 27.6; EXCEPT THAT THE DEPARTMENT SHALL NOT ISSUE A PROVISIONAL  
5 LICENSE TO AN APPLICANT IF THE OPERATION OF THE BEHAVIORAL HEALTH  
6 ENTITY WILL ADVERSELY AFFECT THE HEALTH, SAFETY, OR WELFARE OF  
7 THE CONSUMERS OF THE BEHAVIORAL HEALTH ENTITY. AS A CONDITION  
8 OF OBTAINING A PROVISIONAL LICENSE, THE APPLICANT SHALL SHOW  
9 PROOF TO THE DEPARTMENT THAT ATTEMPTS ARE BEING MADE TO  
10 CONFORM AND COMPLY WITH THE APPLICABLE STANDARDS REQUIRED  
11 PURSUANT TO THIS ARTICLE 27.6. THE DEPARTMENT SHALL NOT GRANT A  
12 PROVISIONAL LICENSE PRIOR TO THE COMPLETION OF A CRIMINAL  
13 BACKGROUND CHECK IN ACCORDANCE WITH SUBSECTION (3) OF THIS  
14 SECTION AND A DETERMINATION IN ACCORDANCE WITH SUBSECTION (4) OF  
15 THIS SECTION. A SECOND PROVISIONAL LICENSE MAY BE ISSUED, FOR A  
16 LIKE TERM AND FEE, TO EFFECT COMPLIANCE. NO FURTHER PROVISIONAL  
17 LICENSES MAY BE ISSUED FOR THE CURRENT YEAR AFTER THE SECOND  
18 ISSUANCE.

19 **25-27.6-107. License fees - rules.** (1) (a) BY APRIL 30, 2021, THE  
20 STATE BOARD SHALL PROMULGATE RULES ESTABLISHING A SCHEDULE OF  
21 FEES SUFFICIENT TO MEET THE DIRECT AND INDIRECT COSTS OF  
22 ADMINISTRATION AND ENFORCEMENT OF THIS ARTICLE 27.6.

23 (b) THE DEPARTMENT SHALL ASSESS AND COLLECT, FROM  
24 BEHAVIORAL HEALTH ENTITIES SUBJECT TO LICENSURE PURSUANT TO  
25 SECTION 25-27.6-106, FEES IN ACCORDANCE WITH THE FEE SCHEDULE  
26 ESTABLISHED BY THE STATE BOARD.

27 (2) THE DEPARTMENT SHALL TRANSMIT FEES COLLECTED

1 PURSUANT TO THIS SECTION TO THE STATE TREASURER, WHO SHALL  
2 CREDIT THE MONEY TO THE BEHAVIORAL HEALTH ENTITY CASH FUND  
3 CREATED IN SECTION 25-27.6-108.

4 (3) FEES COLLECTED PURSUANT TO SUBSECTION (1) OF THIS  
5 SECTION MAY BE USED BY THE DEPARTMENT TO PROVIDE TECHNICAL  
6 ASSISTANCE AND EDUCATION TO BEHAVIORAL HEALTH ENTITIES RELATED  
7 TO COMPLIANCE WITH COLORADO LAW, IN ADDITION TO REGULATORY AND  
8 ADMINISTRATIVE FUNCTIONS. THE DEPARTMENT MAY CONTRACT WITH  
9 PRIVATE ENTITIES TO ASSIST THE DEPARTMENT IN PROVIDING TECHNICAL  
10 ASSISTANCE AND EDUCATION.

11 **25-27.6-108. Behavioral health entity cash fund - created.** THE  
12 BEHAVIORAL HEALTH ENTITY CASH FUND, REFERRED TO IN THE SECTION  
13 AS THE "FUND", IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS  
14 OF MONEY CREDITED TO THE FUND PURSUANT TO SECTION 25-27.6-107.  
15 THE MONEY IN THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY THE  
16 GENERAL ASSEMBLY FOR THE DIRECT AND INDIRECT COSTS OF THE  
17 DEPARTMENT IN PERFORMING ITS DUTIES PURSUANT TO THIS ARTICLE 27.6.  
18 AT THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED  
19 MONEY IN THE FUND REMAINS IN THE FUND AND MUST NOT BE CREDITED  
20 OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND.

21 **25-27.6-109. Employee or contracted service provider criminal**  
22 **history record check - rules.** A BEHAVIORAL HEALTH ENTITY SHALL  
23 REQUIRE AN APPLICANT SEEKING EMPLOYMENT WITH OR SEEKING TO  
24 CONTRACT TO PROVIDE SERVICES TO THE BEHAVIORAL HEALTH ENTITY TO  
25 SUBMIT TO A CRIMINAL HISTORY RECORD CHECK BEFORE EMPLOYMENT OR  
26 EXECUTION OF A CONTRACT. THE BEHAVIORAL HEALTH ENTITY SHALL PAY  
27 THE COSTS OF THE CRIMINAL HISTORY RECORD CHECK. THE CRIMINAL



1 HISTORY RECORD CHECK MUST BE CONDUCTED NOT MORE THAN NINETY  
2 DAYS BEFORE THE EMPLOYMENT OF OR CONTRACT WITH THE APPLICANT.

3 **25-27.6-110. License denial, suspension, or revocation.**

4 (1) WHEN AN APPLICATION FOR AN INITIAL LICENSE PURSUANT TO  
5 SECTION 25-27.6-106 HAS BEEN DENIED BY THE DEPARTMENT, THE  
6 DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING OF THE DENIAL BY  
7 MAILING A NOTICE TO THE APPLICANT AT THE ADDRESS SHOWN ON THE  
8 APPLICATION. ANY APPLICANT AGGRIEVED BY A DENIAL MAY PURSUE A  
9 REVIEW AS PROVIDED IN ARTICLE 4 OF TITLE 24, AND THE DEPARTMENT  
10 SHALL FOLLOW THE PROVISIONS AND PROCEDURES SPECIFIED IN ARTICLE  
11 4 OF TITLE 24.

12 (2) (a) THE DEPARTMENT MAY SUSPEND, REVOKE, OR REFUSE TO  
13 RENEW THE LICENSE OF ANY BEHAVIORAL HEALTH ENTITY THAT IS OUT OF  
14 COMPLIANCE WITH THE REQUIREMENTS OF THIS ARTICLE 27.6 OR THE  
15 RULES PROMULGATED THEREUNDER. SUSPENSION, REVOCATION, OR  
16 REFUSAL MUST BE DONE AFTER A HEARING THEREON AND IN COMPLIANCE  
17 WITH THE PROVISIONS AND PROCEDURES SPECIFIED IN ARTICLE 4 OF TITLE  
18 24.

19 (b) (I) THE DEPARTMENT MAY IMPOSE INTERMEDIATE  
20 RESTRICTIONS OR CONDITIONS ON A LICENSEE THAT OPERATES A  
21 BEHAVIORAL HEALTH ENTITY THAT MAY INCLUDE ONE OR MORE OF THE  
22 RESTRICTIONS OR CONDITIONS SPECIFIED IN SECTION 25-27-106 (2)(b).

23 (II) IF THE DEPARTMENT ASSESSES A CIVIL FINE PURSUANT TO THIS  
24 SUBSECTION (2)(b), THE DEPARTMENT SHALL TRANSMIT THE MONEY TO  
25 THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE GENERAL  
26 FUND.

27 **25-27.6-111. Enforcement.** THE DEPARTMENT IS RESPONSIBLE FOR

1 THE ENFORCEMENT OF THIS ARTICLE 27.6 AND THE RULES ADOPTED  
2 PURSUANT TO THIS ARTICLE 27.6.

3 **SECTION 2.** In Colorado Revised Statutes, **add** 27-60-107 as  
4 follows:

5 **27-60-107. Behavioral health entity licenses - assistance -**  
6 **transfer of staff.** (1) PURSUANT TO ARTICLE 27.6 OF TITLE 25, THERE IS  
7 A BEHAVIORAL HEALTH ENTITY LICENSE ISSUED BY THE DEPARTMENT OF  
8 PUBLIC HEALTH AND ENVIRONMENT. CERTAIN FACILITIES THAT ARE  
9 LICENSED BY THE STATE DEPARTMENT WILL TRANSITION TO THE  
10 BEHAVIORAL HEALTH ENTITY LICENSE ISSUED BY THE DEPARTMENT OF  
11 PUBLIC HEALTH AND ENVIRONMENT. PRIOR TO THE TRANSITION, THE  
12 OFFICE SHALL ASSIST THE DEPARTMENT OF PUBLIC HEALTH AND  
13 ENVIRONMENT AND THE BEHAVIORAL HEALTH ENTITY IMPLEMENTATION  
14 AND ADVISORY COMMITTEE ESTABLISHED IN SECTION 25-27.6-103 IN  
15 DESIGNING AND IMPLEMENTING THE TRANSITION AND INFORMING  
16 FACILITIES LICENSED BY THE STATE DEPARTMENT PRIOR TO THE  
17 TRANSITION.

18 (2) WHEN ONE OR MORE TYPES OF LICENSES ARE TRANSITIONED TO  
19 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, EMPLOYEES OF  
20 THE OFFICE WHO WERE PREVIOUSLY RESPONSIBLE FOR ISSUING LICENSES  
21 BY THE STATE DEPARTMENT MAY BE OFFERED POSITIONS IN THE  
22 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN ACCORDANCE  
23 WITH DEPARTMENT OF PERSONNEL RULES.

24 **SECTION 3.** In Colorado Revised Statutes, 25-3-102, **amend** (2)  
25 as follows:

26 **25-3-102. License - application - issuance - certificate of**  
27 **compliance required - repeal.** (2) (a) In the licensing of a community

1 mental health center, acute treatment unit, or clinic, satisfactory evidence  
2 that the applicant is in compliance with the standards AND rules and  
3 regulations promulgated pursuant to section 27-66-102 C.R.S., shall be  
4 IS required for licensure.

5 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2021.

6 **SECTION 4.** In Colorado Revised Statutes, 2-3-1203, **add**  
7 (16)(a)(IV) as follows:

8 **2-3-1203. Sunset review of advisory committees - legislative**  
9 **declaration - definition - repeal.** (16) (a) The following statutory  
10 authorizations for the designated advisory committees will repeal on  
11 September 1, 2025:

12 (IV) THE BEHAVIORAL HEALTH ENTITY IMPLEMENTATION AND  
13 ADVISORY COMMITTEE, ESTABLISHED IN SECTION 25-27.6-103.

14 **SECTION 5.** In Colorado Revised Statutes, 24-33.5-1203,  
15 **amend** (1)(p.5) as follows:

16 **24-33.5-1203. Duties of division.** (1) The division shall perform  
17 the following duties:

18 (p.5) When there is no local building department or fire  
19 department, or ~~when necessary~~ for facilities certified or ~~seeking~~  
20 POTENTIALLY ELIGIBLE FOR certification by the federal centers for  
21 medicare and medicaid services, conduct construction plan reviews and  
22 inspections of health facility buildings and structures, enforce the codes  
23 in accordance with sections 24-33.5-1212.5 and 24-33.5-1213, and issue  
24 certificates of compliance for such buildings and structures;

25 **SECTION 6.** In Colorado Revised Statutes, **amend as added in**  
26 **section 1 of this act**, 25-27.6-105 (2) introductory portion and (2)(b) as  
27 follows:

1           **25-27.6-105. Minimum standards for behavioral health**  
2 **entities - rules.** (2) On or before April 30, ~~2021~~ 2023, the state board  
3 shall promulgate rules that must include the following:

4           (b) Service-specific requirements that apply only to behavioral  
5 health entities electing to provide that service, including, at a minimum,  
6 standards for the services included in the definitions in section  
7 25-27.6-102 of acute treatment unit, community mental health center,  
8 community mental health clinic, crisis stabilization unit, ~~and~~ walk-in  
9 centers, AND ALCOHOL USE DISORDER AND SUBSTANCE USE DISORDER  
10 SERVICES that meet the regulatory requirements for licensing, ~~and~~  
11 operations, AND PARTNERSHIPS WITH THE STATE;

12           **SECTION 7.** In Colorado Revised Statutes, 25-1.5-103, **amend**  
13 (1)(a)(I)(A) and (1)(c); and **add** (2)(a.3) as follows:

14           **25-1.5-103. Health facilities - powers and duties of department**  
15 **- limitations on rules promulgated by department - definitions.**

16 (1) The department has, in addition to all other powers and duties  
17 imposed upon it by law, the powers and duties provided in this section as  
18 follows:

19           (a) (I) (A) To annually license and to establish and enforce  
20 standards for the operation of general hospitals, hospital units as defined  
21 in section 25-3-101 (2), psychiatric hospitals, community clinics,  
22 rehabilitation hospitals, convalescent centers, community mental health  
23 centers, acute treatment units, BEHAVIORAL HEALTH ENTITIES, facilities  
24 for persons with intellectual and developmental disabilities, nursing care  
25 facilities, hospice care, assisted living residences, dialysis treatment  
26 clinics, ambulatory surgical centers, birthing centers, home care agencies,  
27 and other facilities of a like nature, except those wholly owned and

1 operated by any governmental unit or agency.

2 (c) (I) To establish and enforce standards for licensure of  
3 community mental health centers and acute treatment units AS  
4 BEHAVIORAL HEALTH ENTITIES.

5 (II) ~~The department of public health and environment has primary~~  
6 ~~responsibility for the licensure of community mental health centers and~~  
7 ~~acute treatments units. The department of human services has primary~~  
8 ~~responsibility for program approval at these facilities. In performing their~~  
9 ~~respective ITS responsibilities pursuant to this subparagraph (H), both~~  
10 ~~departments~~ SUBSECTION (1)(c)(I) OF THIS SECTION, THE DEPARTMENT  
11 shall take into account changes in health care policy and practice  
12 incorporating the concept and practice of integration of services and the  
13 development of a system that commingles and integrates health care  
14 services.

15 (2) For purposes of this section, unless the context otherwise  
16 requires:

17 (a.3) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR  
18 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED  
19 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER  
20 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE  
21 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR  
22 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES  
23 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

24 (I) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION  
25 26-6-102 (33); OR

26 (II) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL  
27 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL

1 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

2 **SECTION 8.** In Colorado Revised Statutes, 25-3-105, **add**  
3 (1)(c)(IV) as follows:

4 **25-3-105. License - fee - rules - penalty - repeal.**  
5 (1) (c) (IV) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1,  
6 2022.

7 **SECTION 9.** In Colorado Revised Statutes, **amend as added in**  
8 **section 1 of this act**, 25-27.6-104 (1) as follows:

9 **25-27.6-104. License required - criminal and civil penalties.**

10 (1) (a) On or after July 1, ~~2022~~ 2024, it is unlawful for any person,  
11 partnership, association, or corporation to conduct or maintain a  
12 behavioral health entity, INCLUDING A SUBSTANCE USE DISORDER  
13 PROGRAM OR ALCOHOL USE DISORDER PROGRAM, without having obtained  
14 a license THEREFOR from the department.

15 (b) On or after July 1, ~~2021~~ 2023, an entity seeking initial  
16 licensure as a behavioral health entity shall apply for a behavioral health  
17 entity license if the entity would previously have been licensed ~~as an~~  
18 ~~acute treatment unit or as a community mental health center, community~~  
19 ~~mental health clinic, or crisis stabilization unit licensed as a community~~  
20 ~~clinic~~ OR SUBJECT TO APPROVAL BY THE OFFICE OF BEHAVIORAL HEALTH  
21 IN THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO SECTION  
22 27-81-106 OR 27-82-103 AS AN APPROVED TREATMENT PROGRAM FOR  
23 ALCOHOL USE DISORDERS OR SUBSTANCE USE DISORDERS.

24 (c) A facility ~~licensed as of June 30, 2021~~ WITH A LICENSE OR  
25 APPROVAL ON OR BEFORE JUNE 30, 2023, as ~~an acute treatment unit,~~  
26 ~~community mental health center, community mental health clinic, or crisis~~  
27 ~~stabilization unit, licensed as a community clinic~~ A BEHAVIORAL HEALTH

1 ENTITY, A SUBSTANCE USE DISORDER PROGRAM, OR AN ALCOHOL USE  
2 DISORDER PROGRAM shall apply for a behavioral health entity license prior  
3 to the expiration of the facility's current license OR APPROVAL. Such a  
4 facility is subject to the standards under which it is licensed OR APPROVED  
5 as of July 1, ~~2021~~ 2023, until such time as the behavioral health entity  
6 license is issued.

7 **SECTION 10.** In Colorado Revised Statutes, 27-60-104, **amend**  
8 (1) and (6) introductory portion as follows:

9 **27-60-104. Behavioral health crisis response system - crisis**  
10 **service facilities - walk-in centers - mobile response units.** (1) ~~On or~~  
11 ~~before January 1, 2018,~~ All BEHAVIORAL HEALTH ENTITIES, crisis walk-in  
12 centers, acute treatment units, and crisis stabilization units within the  
13 crisis response system, regardless of facility licensure, must be able to  
14 adequately care for an individual brought to the facility through the  
15 emergency mental health procedure described in section 27-65-105 or a  
16 voluntary application for mental health services pursuant to section  
17 27-65-103. The arrangements for care must be completed through the  
18 crisis response system or prearranged partnerships with other crisis  
19 intervention services.

20 (6) The state department shall ensure crisis response system  
21 contractors are responsible for community engagement, coordination, and  
22 system navigation for key partners, including criminal justice agencies,  
23 emergency departments, hospitals, primary care facilities, BEHAVIORAL  
24 HEALTH ENTITIES, walk-in centers, and other crisis service facilities. The  
25 goals of community coordination are to:

26 **SECTION 11.** In Colorado Revised Statutes, 25-3-101, **amend**  
27 (1) as follows:

1           **25-3-101. Hospitals - health facilities - licensed - definitions.**

2           (1) It is unlawful for any person, partnership, association, or corporation  
3           to open, conduct, or maintain any general hospital; hospital unit;  
4           psychiatric hospital; community clinic; rehabilitation hospital;  
5           convalescent center; BEHAVIORAL HEALTH ENTITY; community mental  
6           health center OR acute treatment unit LICENSED AS A BEHAVIORAL HEALTH  
7           ENTITY; facility for persons with developmental disabilities, as defined in  
8           section 25-1.5-103 (2)(c); nursing care facility; hospice care; assisted  
9           living residence, except an assisted living residence shall be assessed a  
10          license fee as set forth in section 25-27-107; dialysis treatment clinic;  
11          ambulatory surgical center; birthing center; home care agency; or other  
12          facility of a like nature, except those wholly owned and operated by any  
13          governmental unit or agency, without first having obtained a license from  
14          the department of public health and environment.

15          **SECTION 12.** In Colorado Revised Statutes, 27-65-102, **amend**  
16          (7); and **add** (1.5) as follows:

17          **27-65-102. Definitions.** As used in this article 65, unless the  
18          context otherwise requires:

19          (1.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR  
20          PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED  
21          HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER  
22          SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE  
23          DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR  
24          ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES  
25          AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

26          (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION  
27          26-6-102 (33); OR



1 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL  
2 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL  
3 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

4 (7) "Facility" means a public hospital or a licensed private  
5 hospital, clinic, BEHAVIORAL HEALTH ENTITY, community mental health  
6 center or clinic, acute treatment unit, institution, or residential child care  
7 facility that provides treatment for persons with mental health disorders.

8 **SECTION 13.** In Colorado Revised Statutes, 27-66-101, **add**  
9 (1.5) as follows:

10 **27-66-101. Definitions.** As used in this article 66, unless the  
11 context otherwise requires:

12 (1.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR  
13 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED  
14 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER  
15 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE  
16 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR  
17 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES  
18 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

19 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION  
20 26-6-102 (33); OR

21 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL  
22 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL  
23 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

24 **SECTION 14.** In Colorado Revised Statutes, 27-66-104, **amend**  
25 (1), (2)(a)(II), (2)(a)(III), (2)(b), (3), and (6); and **add** (2)(a)(IV) as  
26 follows:

27 **27-66-104. Types of services purchased - limitation on**

1 **payments.** (1) Community mental health services may be purchased  
2 from BEHAVIORAL HEALTH ENTITIES, clinics, community mental health  
3 centers, local general or psychiatric hospitals, and other agencies that  
4 have been approved by the executive director.

5 (2) (a) Each year the general assembly shall appropriate ~~fun~~  
6 MONEY for the purchase of mental health services from:

7 (II) Agencies that provide specialized clinic-type services but do  
8 not serve a specific designated service area; ~~and~~

9 (III) Acute treatment units; AND

10 (IV) BEHAVIORAL HEALTH ENTITIES.

11 (b) The ~~fun~~ MONEY appropriated for the purposes of this  
12 subsection (2) shall be distributed by the executive director to approved  
13 BEHAVIORAL HEALTH ENTITIES, community mental health centers, and  
14 other agencies on the basis of need and in accordance with the services  
15 provided.

16 (3) Each year the general assembly may appropriate ~~fun~~ MONEY  
17 in addition to ~~those~~ THE MONEY appropriated for purposes of subsection  
18 (2) of this section, which ~~fun~~ MONEY may be used by the executive  
19 director to assist BEHAVIORAL HEALTH ENTITIES, community mental health  
20 clinics and centers in instituting innovative programs, in providing mental  
21 health services to impoverished areas, and in dealing with crisis  
22 situations. The executive director shall require that any innovative or  
23 crisis programs for which ~~fun~~ MONEY IS allocated ~~under~~ PURSUANT  
24 TO this subsection (3) be clearly defined in terms of services to be  
25 rendered, program objectives, scope and duration of the program, and the  
26 maximum amount of ~~fun~~ MONEY to be provided.

27 (6) For purposes of entering into a cooperative purchasing

1 agreement pursuant to section 24-110-201, ~~C.R.S.~~, a NONPROFIT  
2 BEHAVIORAL HEALTH ENTITY, nonprofit community mental health center,  
3 or a nonprofit community mental health clinic may be certified as a local  
4 public procurement unit as provided in section 24-110-207.5. ~~C.R.S.~~

5 **SECTION 15.** In Colorado Revised Statutes, 27-66-105, **amend**  
6 (1)(a), (2) introductory portion, and (3); and **add** (1)(g) and (4) as  
7 follows:

8 **27-66-105. Standards for approval.** (1) In approving or  
9 rejecting community mental health clinics for the purchase of behavioral  
10 or mental health services, the executive director shall:

11 (a) Consider the adequacy AND QUALITY of mental health services  
12 provided by such clinics, taking into consideration such factors as  
13 geographic location, local economic conditions, and availability of  
14 manpower;

15 (g) ON AND AFTER JULY 1, 2022, REQUIRE LICENSURE BY THE  
16 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO  
17 SECTION 25-27.6-104.

18 (2) In approving or rejecting local general or psychiatric hospitals,  
19 BEHAVIORAL HEALTH ENTITIES, community mental health centers, acute  
20 treatment units, and other agencies for the purchase of services not  
21 provided by local mental health clinics, including, but not limited to,  
22 twenty-four-hour and partial hospitalization, the executive director shall  
23 consider the following factors:

24 (3) In the purchase of services from BEHAVIORAL HEALTH  
25 ENTITIES OR community mental health centers, the executive director shall  
26 specify levels and types of inpatient, outpatient, consultation, education,  
27 and training services and expenditures and shall establish minimum

1 standards for other programs of such centers that are to be supported with  
2 state funds.

3 (4) IN APPROVING OR REJECTING BEHAVIORAL HEALTH ENTITIES,  
4 COMMUNITY MENTAL HEALTH CLINICS, COMMUNITY MENTAL HEALTH  
5 CENTERS, ACUTE TREATMENT UNITS, LOCAL GENERAL OR PSYCHIATRIC  
6 HOSPITALS, AND OTHER AGENCIES FOR THE PURCHASE OF SERVICES, THE  
7 EXECUTIVE DIRECTOR SHALL ENSURE THE AGENCIES COMPLY WITH  
8 FEDERAL FINANCIAL PARTICIPATION REQUIREMENTS FOR  
9 DEPARTMENT-ADMINISTERED PROGRAMS.

10 **SECTION 16.** In Colorado Revised Statutes, **amend** 27-66-106  
11 as follows:

12 **27-66-106. Federal grants-in-aid and other grants for mental**  
13 **health and integrated behavioral health services - administration.**

14 (1) The department is designated the official mental health authority, and  
15 is authorized to:

16 (a) Receive grants-in-aid from the federal government under the  
17 provisions of 42 U.S.C. sec. 246, and shall administer said grants in  
18 accordance therewith; AND

19 (b) RECEIVE OTHER GRANTS FROM THE FEDERAL GOVERNMENT FOR  
20 THE PROVISION OF MENTAL HEALTH OR INTEGRATED BEHAVIORAL HEALTH  
21 SERVICES AND SHALL ADMINISTER SUCH GRANTS IN ACCORDANCE  
22 THEREWITH.

23 **SECTION 17.** In Colorado Revised Statutes, **amend** 27-66-107  
24 as follows:

25 **27-66-107. Purchase of services by courts, counties,**  
26 **municipalities, school districts, and other political subdivisions.** Any  
27 county, municipality, school district, health service district, or other

1 political subdivision of the state or any county, district, or juvenile court  
2 is authorized to purchase mental health services from BEHAVIORAL  
3 HEALTH ENTITIES, community mental health clinics, and ~~such~~ other  
4 community agencies ~~as are~~ approved for purchases by the executive  
5 director. For the purchase of mental health services by counties or city  
6 and counties as authorized by this section, the board of county  
7 commissioners of any county or the city council of any city and county  
8 may levy a tax not to exceed two mills upon real property within the  
9 county or city and county if the board first submits the question of ~~such~~  
10 THE levy to a vote of the qualified electors at a general election and  
11 receives their approval of ~~such~~ THE levy.

12 **SECTION 18.** In Colorado Revised Statutes, 27-70-102, **amend**  
13 (2) as follows:

14 **27-70-102. Definitions.** As used in this article 70, unless the  
15 context otherwise requires:

16 (2) "Facility" means a federally qualified health care center, clinic,  
17 community mental health center or clinic, BEHAVIORAL HEALTH ENTITY,  
18 institution, acute treatment unit, jail, facility operated by the department  
19 of corrections, or a facility operated by the division of youth services.

20 **SECTION 19.** In Colorado Revised Statutes, 27-81-102, **amend**  
21 (1); and **add** (3.5) and (13.7) as follows:

22 **27-81-102. Definitions.** As used in this article 81, unless the  
23 context otherwise requires:

24 (1) "Alcohol use disorder" means a ~~condition by which a person~~  
25 ~~habitually lacks self-control as to the use of alcoholic beverages or uses~~  
26 ~~alcoholic beverages to the extent that his or her health is substantially~~  
27 ~~impaired or endangered or his or her social or economic function is~~

1 ~~substantially disrupted. Nothing in this subsection (1) precludes the~~  
2 ~~denomination of a person with an alcohol use disorder as intoxicated by~~  
3 ~~alcohol or incapacitated by alcohol~~ CHRONIC RELAPSING BRAIN DISEASE  
4 CHARACTERIZED BY RECURRENT USE OF ALCOHOL CAUSING CLINICALLY  
5 SIGNIFICANT IMPAIRMENT, INCLUDING HEALTH PROBLEMS, DISABILITY,  
6 AND FAILURE TO MEET MAJOR RESPONSIBILITIES AT WORK, SCHOOL, AND  
7 HOME.

8 (3.5) "BEHAVIORAL HEALTH ENTITY" MEANS A FACILITY OR  
9 PROVIDER ORGANIZATION ENGAGED IN PROVIDING COMMUNITY-BASED  
10 HEALTH SERVICES, WHICH MAY INCLUDE BEHAVIORAL HEALTH DISORDER  
11 SERVICES, ALCOHOL USE DISORDER SERVICES, OR SUBSTANCE USE  
12 DISORDER SERVICES, INCLUDING CRISIS STABILIZATION, ACUTE OR  
13 ONGOING TREATMENT, OR COMMUNITY MENTAL HEALTH CENTER SERVICES  
14 AS DESCRIBED IN SECTION 27-66-101 (2) AND (3), BUT DOES NOT INCLUDE:

15 (a) RESIDENTIAL CHILD CARE FACILITIES AS DEFINED IN SECTION  
16 26-6-102 (33); OR

17 (b) SERVICES PROVIDED BY A LICENSED OR CERTIFIED MENTAL  
18 HEALTH CARE PROVIDER UNDER THE PROVIDER'S INDIVIDUAL  
19 PROFESSIONAL PRACTICE ACT ON THE PROVIDER'S OWN PREMISES.

20 (13.7) "PUBLIC FUNDS" MEANS MONEY APPROPRIATED TO THE  
21 OFFICE OF BEHAVIORAL HEALTH BY THE GENERAL ASSEMBLY OR ANY  
22 OTHER GOVERNMENTAL OR PRIVATE SOURCES FOR WITHDRAWAL  
23 MANAGEMENT OR FOR THE TREATMENT OF ALCOHOL USE DISORDERS IN  
24 APPROVED FACILITIES PURSUANT TO THIS ARTICLE 81.

25 **SECTION 20.** In Colorado Revised Statutes, 27-81-104, **amend**  
26 (1)(c) as follows:

27 **27-81-104. Duties of the office of behavioral health - review.**

1 (1) In addition to duties prescribed by section 27-80-102, the office of  
2 behavioral health shall:

3 (c) Utilize BEHAVIORAL HEALTH ENTITIES, community mental  
4 health centers and clinics whenever feasible;

5 **SECTION 21.** In Colorado Revised Statutes, 27-81-107, **amend**  
6 (1); and **add** (4) as follows:

7 **27-81-107. Compliance with local government zoning**  
8 **regulations - notice to local governments - provisional approval -**  
9 **repeal.** (1) PRIOR TO JULY 1, 2024, the office of behavioral health shall  
10 require any residential treatment facility seeking approval as a public or  
11 private treatment facility pursuant to this article 81 to comply with any  
12 applicable zoning regulations of the municipality, city and county, or  
13 county where the facility is situated. Failure to comply with applicable  
14 zoning regulations constitutes grounds for the denial of approval of a  
15 facility.

16 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

17 **SECTION 22.** In Colorado Revised Statutes, **add** 27-81-107.5 as  
18 follows:

19 **27-81-107.5. Licensure.** ON AND AFTER JULY 1, 2024, THE OFFICE  
20 OF BEHAVIORAL HEALTH SHALL REQUIRE ANY TREATMENT FACILITY  
21 SEEKING APPROVAL AS A PUBLIC OR PRIVATE TREATMENT FACILITY  
22 PURSUANT TO THIS ARTICLE 81 TO BE LICENSED BY THE DEPARTMENT OF  
23 PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-27.6-104  
24 OR BY ANY OTHER REQUIRED STATE AGENCY.

25 **SECTION 23.** In Colorado Revised Statutes, 27-82-102, **amend**  
26 (13.5); and **add** (13.3) as follows:

27 **27-82-102. Definitions.** As used in this article 82, unless the

1 context otherwise requires:

2 (13.3) "PUBLIC FUNDS" MEANS MONEY APPROPRIATED TO THE  
3 OFFICE OF BEHAVIORAL HEALTH BY THE GENERAL ASSEMBLY OR ANY  
4 OTHER GOVERNMENTAL OR PRIVATE SOURCES FOR WITHDRAWAL  
5 MANAGEMENT OR FOR THE TREATMENT OF SUBSTANCE USE DISORDERS IN  
6 APPROVED FACILITIES PURSUANT TO THIS ARTICLE 82.

7 (13.5) "Substance use disorder" means a ~~condition by which a~~  
8 ~~person habitually uses drugs or uses drugs to the extent that his or her~~  
9 ~~health is substantially impaired or endangered or his or her social or~~  
10 ~~economic function is substantially disrupted. Nothing in this subsection~~  
11 ~~(13.5) precludes the denomination of a person with a substance use~~  
12 ~~disorder as a person under the influence of or incapacitated by drugs~~  
13 CHRONIC RELAPSING BRAIN DISEASE, CHARACTERIZED BY RECURRENT USE  
14 OF ALCOHOL, DRUGS, OR BOTH, CAUSING CLINICALLY SIGNIFICANT  
15 IMPAIRMENT, INCLUDING HEALTH PROBLEMS, DISABILITY, AND FAILURE TO  
16 MEET MAJOR RESPONSIBILITIES AT WORK, SCHOOL, OR HOME.

17 **SECTION 24.** In Colorado Revised Statutes, **add** 27-82-103.5 as  
18 follows:

19 **27-82-103.5. Licensure.** ON AND AFTER JULY 1, 2024, THE OFFICE  
20 OF BEHAVIORAL HEALTH SHALL REQUIRE ANY TREATMENT FACILITY  
21 SEEKING APPROVAL AS A PUBLIC OR PRIVATE TREATMENT FACILITY TO BE  
22 LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
23 PURSUANT TO SECTION 25-27.6-104 OR BY ANY OTHER REQUIRED STATE  
24 AGENCY.

25 **SECTION 25. Effective date.** This act takes effect upon passage;  
26 except that sections 5 through 8 of this act take effect July 1, 2021, and  
27 sections 9 through 24 of this act take effect July 1, 2022.



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