

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

REVISED

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

LLS NO. 19-0613.01 Richard Sweetman x4333

HOUSE BILL 19-1320

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING REQUIRING CERTAIN HEALTH CARE PROVIDERS TO BE**
102 **ACCOUNTABLE TO THEIR COMMUNITIES.**

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>.)

The department of health care policy and financing (department) has divided the state into 7 regions and associated each region with a regional accountable entity for the purpose of administering the "Colorado Medical Assistance Act". In each region, the bill establishes a 15-member hospital community accountability board (board).

The bill requires each nonprofit hospital, in consultation with its

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.

SENATE
2nd Reading Unamended
May 2, 2019

HOUSE
3rd Reading Unamended
April 29, 2019

HOUSE
Amended 2nd Reading
April 27, 2019

board, to complete an annual community health needs assessment and an annual community benefit implementation plan. Each nonprofit hospital must report to the department concerning its community health needs assessment, community benefit implementation plan, and community benefit activities in the preceding year, and the department is required to submit an annual summary report to subject matter committees of the general assembly. For-profit hospitals are encouraged to report in like fashion.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 7 to article
3 1 of title 25.5 as follows:

4 **PART 7**

5 **HEALTH CARE PROVIDERS' ACCOUNTABILITY**
6 **TO COMMUNITIES**

7 **25.5-1-701. Definitions.** AS USED IN THIS PART 7, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) "COMMUNITY" MEANS THE COMMUNITY THAT A HOSPITAL HAS
10 DEFINED AS THE COMMUNITY THAT IT SERVES PURSUANT TO 26 CFR
11 1.501(r)-3 (b)(3).

12 (2) "COMMUNITY BENEFIT IMPLEMENTATION PLAN" MEANS A PLAN
13 THAT SATISFIES THE REQUIREMENTS OF AN IMPLEMENTATION STRATEGY,
14 AS SET FORTH IN 26 CFR 1.501(r)-3 (c).

15 (3) "COMMUNITY HEALTH NEEDS ASSESSMENT" MEANS A
16 COMMUNITY HEALTH NEEDS ASSESSMENT THAT SATISFIES THE
17 REQUIREMENTS OF 26 CFR 1.501(r)-3.

18 (4) "COMMUNITY-IDENTIFIED HEALTH NEED" MEANS A HEALTH
19 NEED OF A COMMUNITY THAT IS IDENTIFIED IN A COMMUNITY HEALTH
20 NEEDS ASSESSMENT.

21 (5) (a) "REPORTING HOSPITAL" MEANS:

1 (I) A HOSPITAL LICENSED AS A GENERAL HOSPITAL PURSUANT TO
2 PART 1 OF ARTICLE 3 OF THIS TITLE 25.5 AND EXEMPT FROM FEDERAL
3 TAXATION PURSUANT TO SECTION 501 (c)(3) OF THE FEDERAL INTERNAL
4 REVENUE CODE;

5 (II) A HOSPITAL ESTABLISHED PURSUANT TO SECTION 25-29-103;
6 OR

7 (III) A HOSPITAL ESTABLISHED PURSUANT TO SECTION 23-21-503.

8 (b) NOTWITHSTANDING SUBSECTION (6)(a) OF THIS SECTION,
9 "REPORTING HOSPITAL" DOES NOT INCLUDE A HOSPITAL THAT IS LICENSED
10 AS A GENERAL HOSPITAL WITH THE DEPARTMENT OF PUBLIC HEALTH AND
11 ENVIRONMENT AND THAT IS:

12 (I) FEDERALLY CERTIFIED OR UNDERGOING FEDERAL
13 CERTIFICATION AS A LONG-TERM CARE HOSPITAL PURSUANT TO 42 CFR
14 412.23 (e); OR

15 (II) FEDERALLY CERTIFIED OR UNDERGOING FEDERAL
16 CERTIFICATION AS A CRITICAL ACCESS HOSPITAL PURSUANT TO 42 CFR
17 485 SUBPART F.

18 **25.5-1-702. Hospitals - public community meeting**
19 **requirement.** (1) AT LEAST ONCE EACH YEAR, EACH HOSPITAL SHALL
20 CONVENE A PUBLIC MEETING TO SEEK FEEDBACK REGARDING THE
21 HOSPITAL'S COMMUNITY BENEFIT ACTIVITIES DURING THE PREVIOUS YEAR
22 AND THE HOSPITAL'S COMMUNITY BENEFIT IMPLEMENTATION PLAN FOR
23 THE FOLLOWING YEAR.

24 (2) (a) EACH HOSPITAL SHALL INVITE, AT A MINIMUM,
25 REPRESENTATIVES FROM THE FOLLOWING ENTITIES TO PARTICIPATE IN THE
26 MEETING DESCRIBED IN SUBSECTION (1) OF THIS SECTION, IF ANY SUCH
27 ENTITIES OPERATE IN THE HOSPITAL'S COMMUNITY:

- 1 (I) LOCAL PUBLIC HEALTH AGENCIES;
- 2 (II) LOCAL CHAMBERS OF COMMERCE AND ECONOMIC
- 3 DEVELOPMENT ORGANIZATIONS;
- 4 (III) LOCAL HEALTH CARE CONSUMER ORGANIZATIONS;
- 5 (IV) SCHOOL DISTRICTS;
- 6 (V) COUNTY GOVERNMENTS;
- 7 (VI) CITY AND TOWN GOVERNMENTS;
- 8 (VII) COMMUNITY HEALTH CENTERS;
- 9 (VIII) CERTIFIED RURAL HEALTH CLINICS OR PRIMARY CARE
- 10 CLINICS LOCATED IN A COUNTY THAT HAS BEEN DESIGNATED BY THE
- 11 FEDERAL OFFICE OF MANAGEMENT AND BUDGET AS A RURAL OR FRONTIER
- 12 COUNTY;
- 13 (IX) AREA AGENCIES ON AGING; AND
- 14 (X) HEALTH CARE CONSUMER ADVOCACY ORGANIZATIONS.
- 15 (b) IN ADDITION TO THE ENTITIES DESCRIBED IN SUBSECTION (2)(a)
- 16 OF THIS SECTION, EACH HOSPITAL SHALL INVITE, AT A MINIMUM,
- 17 REPRESENTATIVES FROM THE FOLLOWING STATE AGENCIES TO
- 18 PARTICIPATE IN THE MEETING DESCRIBED IN SUBSECTION (1) OF THIS
- 19 SECTION:
- 20 (I) THE STATE DEPARTMENT;
- 21 (II) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;
- 22 (III) THE DEPARTMENT OF HUMAN SERVICES;
- 23 (IV) THE COLORADO COMMISSION ON HIGHER EDUCATION; AND
- 24 (V) THE OFFICE OF SAVING PEOPLE MONEY ON HEALTH CARE IN
- 25 THE LIEUTENANT GOVERNOR'S OFFICE.
- 26 (c) IN ADDITION TO THE ENTITIES DESCRIBED IN SUBSECTIONS
- 27 (2)(a) AND (2)(b) OF THIS SECTION, EACH HOSPITAL SHALL INVITE THE

1 GENERAL PUBLIC TO THE ANNUAL MEETING DESCRIBED IN SUBSECTION (1)
2 OF THIS SECTION. THE HOSPITAL SHALL ISSUE SUCH INVITATION IN AN
3 ADVERTISEMENT PLACED IN ANY MAJOR NEWSPAPER PUBLISHED IN THE
4 HOSPITAL'S COMMUNITY.

5 (3) TO SATISFY THE REQUIREMENTS OF THIS SECTION, A HOSPITAL
6 MAY CONVENE A JOINT PUBLIC MEETING WITH ONE OR MORE OTHER
7 HOSPITALS THAT SHARE SOME OR ALL OF THE HOSPITAL'S COMMUNITY.

8 **25.5-1-703. Hospitals - community health needs assessments**
9 **- community benefit implementation plans - reports - rules.** (1) ON
10 OR BEFORE A DATE TO BE DETERMINED BY RULES PROMULGATED BY THE
11 STATE BOARD, AND ON OR BEFORE SUCH DATE EVERY THREE YEARS
12 THEREAFTER, EACH REPORTING HOSPITAL SHALL COMPLETE A COMMUNITY
13 HEALTH NEEDS ASSESSMENT.

14 (2) ON OR BEFORE A DATE TO BE DETERMINED BY RULES
15 PROMULGATED BY THE STATE BOARD, AND ON OR BEFORE SUCH DATE
16 EACH YEAR THEREAFTER, EACH REPORTING HOSPITAL SHALL COMPLETE A
17 COMMUNITY BENEFIT IMPLEMENTATION PLAN THAT ADDRESSES THE NEEDS
18 DESCRIBED BY THE REPORTING HOSPITAL'S COMMUNITY HEALTH NEEDS
19 ASSESSMENT.

20 (3) ON OR BEFORE A DATE TO BE DETERMINED BY RULES
21 PROMULGATED BY THE STATE BOARD, AND ON OR BEFORE SUCH DATE
22 EACH YEAR THEREAFTER, EACH REPORTING HOSPITAL SHALL PREPARE AND
23 SUBMIT TO THE STATE DEPARTMENT A REPORT ON CERTAIN COMMUNITY
24 BENEFITS, COSTS, AND SHORTFALLS. THE REPORT MUST INCLUDE:

25 (a) THE REPORTING HOSPITAL'S MOST RECENT COMMUNITY HEALTH
26 NEEDS ASSESSMENT COMPLETED PURSUANT TO SUBSECTION (1) OF THIS
27 SECTION;

1 (b) THE REPORTING HOSPITAL'S COMMUNITY BENEFIT
2 IMPLEMENTATION PLAN FOR THE COMING YEAR COMPLETED PURSUANT TO
3 SUBSECTION (2) OF THIS SECTION;

4 (c) A COPY OF THE REPORTING HOSPITAL'S MOST RECENT FORM 990
5 SUBMITTED TO THE FEDERAL INTERNAL REVENUE SERVICE; AND

6 (d) A DESCRIPTION OF CERTAIN SPENDING AND INVESTMENTS
7 MADE BY THE REPORTING HOSPITAL DURING THE PRECEDING YEAR,
8 INCLUDING:

9 (I) A LIST OF THE INVESTMENTS MADE BY THE REPORTING
10 HOSPITAL THAT WERE INCLUDED IN PART I, PART II, AND PART III OF
11 SCHEDULE H OF THE REPORTING HOSPITAL'S FORM 990. FOR EACH SUCH
12 INVESTMENT, THE REPORTING HOSPITAL SHALL:

13 (A) INDICATE THE COST OF THE INVESTMENT;

14 (B) INDICATE WHETHER THE INVESTMENT ADDRESSED A
15 COMMUNITY-IDENTIFIED HEALTH NEED;

16 (C) FOR ANY INVESTMENT THAT ADDRESSED A
17 COMMUNITY-IDENTIFIED HEALTH NEED, IDENTIFY ANY OF THE FOLLOWING
18 CATEGORIES, WHICH MAY BE FURTHER DEFINED BY RULES PROMULGATED
19 BY THE STATE BOARD, THAT ARE APPLICABLE: FREE OR DISCOUNTED
20 HEALTH CARE SERVICES, PROGRAMS THAT ADDRESS HEALTH BEHAVIORS
21 OR RISKS, PROGRAMS THAT ADDRESS THE SOCIAL DETERMINANTS OF
22 HEALTH, AND SUCH OTHER CATEGORIES AS MAY BE DEFINED IN RULES
23 PROMULGATED BY THE STATE BOARD; AND

24 (D) FOR ANY INVESTMENT THAT ADDRESSED A
25 COMMUNITY-IDENTIFIED HEALTH NEED, DESCRIBE AVAILABLE EVIDENCE
26 THAT SHOWS HOW THE INVESTMENT IMPROVES COMMUNITY HEALTH
27 OUTCOMES.

1 (II) THE REPORTING HOSPITAL'S TOTAL EXPENSES INCLUDED IN
2 LINE 18 OF SECTION 1 OF THE FORM 990 SUBMITTED BY THE REPORTING
3 HOSPITAL OR BY THE REPORTING HOSPITAL'S OWNERSHIP ENTITY; AND

4 (III) THE REPORTING HOSPITAL'S REVENUE LESS EXPENSES
5 INCLUDED IN LINE 19 OF SECTION 1 OF THE FORM 990 SUBMITTED BY THE
6 REPORTING HOSPITAL OR BY THE REPORTING HOSPITAL'S OWNERSHIP
7 ENTITY.

8 (4) A REPORTING HOSPITAL THAT PREPARES AND SUBMITS A
9 REPORT PURSUANT TO SUBSECTION (3) OF THIS SECTION SHALL POST THE
10 REPORT TO THE REPORTING HOSPITAL'S PUBLIC WEBSITE.

11 (5) (a) THE STATE BOARD SHALL PROMULGATE RULES
12 ESTABLISHING REPORTING REQUIREMENTS FOR REPORTING HOSPITALS
13 THAT ARE NOT REQUIRED TO COMPLETE SCHEDULE H OF THE FORM 990.
14 THE RULES MUST PROMOTE UNIFORMITY WITH THE REQUIREMENTS SET
15 FORTH IN SUBSECTION (3) OF THIS SECTION.

16 (b) A GENERAL HOSPITAL THAT IS LICENSED AS A GENERAL
17 HOSPITAL PURSUANT TO PART 1 OF ARTICLE 3 OF THIS TITLE 25.5 AND THAT
18 IS NOT A REPORTING HOSPITAL MAY SUBMIT A REPORT ON CERTAIN
19 COMMUNITY BENEFITS, COSTS, AND SHORTFALLS THAT IS CONSISTENT
20 WITH THIS SECTION.

21 (6) TO FACILITATE THE SUBMISSION OF THE REPORTS DESCRIBED
22 IN SUBSECTION (3) OF THIS SECTION, THE STATE DEPARTMENT SHALL
23 DEVELOP AND PROVIDE A WEBSITE AT WHICH EACH REPORTING HOSPITAL
24 SHALL SUBMIT THE REPORTS. THE STATE DEPARTMENT SHALL ENSURE
25 THAT THE WEBSITE AND THE REPORTS REMAIN AVAILABLE TO THE PUBLIC.

26 (7) AS PART OF THE REPORT AUTHORIZED IN SECTION 25.5-4-402.8,
27 THE STATE DEPARTMENT SHALL INCLUDE A SUMMARY OF THE REPORTS

1 SUBMITTED TO THE STATE DEPARTMENT PURSUANT TO SUBSECTION (3) OF
2 THIS SECTION DURING THE PRECEDING YEAR. THE SUMMARY MUST
3 INCLUDE:

4 (a) THE AMOUNT THAT EACH REPORTING HOSPITAL INVESTED IN:

5 (I) FREE OR REDUCED-COST HEALTH CARE SERVICES THAT
6 ADDRESSED COMMUNITY-IDENTIFIED HEALTH NEEDS;

7 (II) PROGRAMS THAT ADDRESSED HEALTH BEHAVIORS OR RISKS;

8 (III) PROGRAMS THAT ADDRESSED SOCIAL DETERMINANTS OF
9 HEALTH; AND

10 (IV) ALL SERVICES AND PROGRAMS THAT ADDRESSED
11 COMMUNITY-IDENTIFIED HEALTH NEEDS;

12 (b) A SUMMARY OF THE REPORTING HOSPITALS' INVESTMENTS
13 THAT HAVE BEEN EFFECTIVE IN IMPROVING COMMUNITY HEALTH
14 OUTCOMES; AND

15 (c) ANY LEGISLATIVE RECOMMENDATIONS THE STATE
16 DEPARTMENT HAS FOR THE GENERAL ASSEMBLY.

17 (8) THE STATE DEPARTMENT SHALL POST THE REPORTS COMPLETED
18 PURSUANT TO SUBSECTION (7) OF THIS SECTION TO A PUBLIC WEB PAGE
19 THAT THE STATE DEPARTMENT CREATES FOR THIS SOLE PURPOSE.

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part will not take effect
27 unless approved by the people at the general election to be held in

- 1 November 2020 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.