

## CHAPTER 336

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**HEALTH AND ENVIRONMENT**


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SENATE BILL 19-254

BY SENATOR(S) Zenzinger, Moreno, Rankin, Tate;  
 also REPRESENTATIVE(S) Ransom, Esgar, Hansen, Bockenfeld, Duran, Galindo, Lontine, Valdez D.

**AN ACT**

**CONCERNING THE NURSING HOME PENALTY CASH FUND, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal** (21)(a)(III) as follows:

**24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal.** (21) (a) The following agencies, functions, or both, will repeal on September 1, 2021:

(III) ~~The nursing home innovations grant board created in section 25-1-107.5 (6), C.R.S., and the use of moneys in the nursing home penalty cash fund for the purposes described in section 25-1-107.5 (4)(c)(II), C.R.S.;~~

**SECTION 2.** In Colorado Revised Statutes, 25-1-107.5, **amend** (4)(d)(III); and **repeal** (4)(d)(I) and (7) as follows:

**25-1-107.5. Additional authority of department - rules - remedies against nursing facilities - criteria for recommending assessments for civil penalties - cooperation with department of health care policy and financing - nursing home penalty cash fund - nursing home innovations grant board - reports.** (4) (d) (I) ~~The departments shall distribute the following amounts of moneys in the nursing home penalty cash fund for the purposes described in subparagraph (II) of paragraph (c) of this subsection (4):~~

(A) ~~For any fiscal year, two hundred fifty thousand dollars if the fund balance is~~

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

greater than two million dollars on July 1 of that fiscal year;

~~(B) If the fund balance on July 1 of any fiscal year is less than two million dollars, the department shall distribute twenty-five percent of the moneys deposited in the fund in the immediately preceding fiscal year, not to exceed two hundred fifty thousand dollars in total fund distribution per fiscal year.~~

~~(III) Notwithstanding subparagraph (I) of this paragraph (d), the departments shall ensure that the balance of the nursing home penalty cash fund does not fall below one million dollars as a result of expenditures for the purposes described in subparagraph (II) of paragraph (c) of this subsection (4) and shall not distribute moneys pursuant to this paragraph (d) for such purposes if making a distribution would cause the fund balance to fall below the minimum balance required by this subparagraph (III).~~ THE MEDICAL SERVICES BOARD CREATED PURSUANT TO SECTION 25.5-1-301 SHALL ESTABLISH A MINIMUM RESERVE AMOUNT TO BE MAINTAINED IN THE NURSING HOME PENALTY CASH FUND TO ENSURE THAT THERE IS SUFFICIENT MONEY FOR THE DEPARTMENTS TO DISTRIBUTE IN ACCORDANCE WITH SUBSECTION (4)(b)(II) OF THIS SECTION, IF NEEDED. THE DEPARTMENTS SHALL NOT EXPEND MONEY FROM THE FUND FOR THE PURPOSES DESCRIBED IN SUBSECTION (4)(c)(II) OF THIS SECTION IF THE EXPENDITURE WOULD CAUSE THE FUND BALANCE TO FALL BELOW THE MINIMUM RESERVE AMOUNT.

~~(7) (a) Subparagraph (II) of paragraph (c) of subsection (4) of this section, subsection (6) of this section, and this subsection (7) are repealed, effective September 1, 2021.~~

~~(b) Prior to the repeal, the nursing home innovations grant board and its functions, and the use of moneys in the nursing home penalty cash fund for the purposes described in subparagraph (II) of paragraph (c) of subsection (4) of this section, shall be reviewed pursuant to section 24-34-104, C.R.S.~~

**SECTION 3. Appropriation.** For the 2019-20 state fiscal year, \$250,000 is appropriated to the department of health care policy and financing. This appropriation is from the nursing home penalty cash fund created in section 25.5-6-205 (3)(a), C.R.S. To implement this act, the department may use this appropriation for general professional services and special projects.

**SECTION 4. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 29, 2019