

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 22-0993.01 Sarah Lozano x3858

SENATE BILL 22-200

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Senate Committees

Health & Human Services
Appropriations

House Committees

Public & Behavioral Health & Human Services
Appropriations

HOUSE
3rd Reading Unamended
May 10, 2022

A BILL FOR AN ACT

101 **CONCERNING A GRANT PROGRAM TO IMPROVE ACCESS TO HEALTH**
102 **CARE IN RURAL COMMUNITIES.**

HOUSE
2nd Reading Unamended
May 4, 2022

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>.)

SENATE
3rd Reading Unamended
April 29, 2022

The bill establishes the rural provider access and affordability stimulus grant program (grant program) in the Colorado department of health care policy and financing (state department). As part of the grant program, the state department may award grants for projects that modernize the affordability solutions and the information technology of health-care providers in rural communities (rural providers) and projects

SENATE
Amended 2nd Reading
April 28, 2022

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.

that expand access to health care in rural communities. The types of rural providers eligible for grants under the grant program are rural hospitals that have a lower net patient revenue or fund balance than other rural hospitals in the state, as determined by the medical services board (state board) by rule.

On or before December 31, 2022:

- The state department must adopt guidelines for the grant program (guidelines); and
- The state board must adopt rules as necessary for the administration of the grant program (rules).

The bill creates the rural provider access and affordability advisory committee (advisory committee) in the state department. The advisory committee is required to advise the state department on the administration of the grant program, the adoption of the guidelines, and the selection of grant recipients. The advisory committee is also required to advise on the rules.

The bill also creates the rural provider access and affordability fund (fund) in the state treasury. The bill requires the state treasurer to transfer \$10,000,000 from the economic recovery and relief cash fund to the fund for awarding grants under the grant program and the administration of the grant program.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The health-care industry represents approximately eighteen
5 percent of Colorado's gross domestic product;

6 (b) Rural communities in Colorado have lower levels of access to
7 health-care services and higher health-care costs compared to other types
8 of communities in Colorado;

9 (c) Health-care providers in rural communities are often forced to
10 utilize more outdated infrastructure compared to health-care providers in
11 other types of communities;

12 (d) The shortfalls of providing health-care services in rural
13 communities mean that providers often migrate to other communities with

1 more updated infrastructure and sustainable cost models, which leaves
2 rural communities with even less access to necessary health-care services;
3 and

4 (e) The effects of the COVID-19 pandemic exacerbated the
5 difficulties of providing health-care services in rural communities,
6 making it even less sustainable for health-care providers to continue
7 operating in rural communities.

8 (2) The general assembly further finds and declares that:

9 (a) The federal government enacted the "American Rescue Plan
10 Act of 2021" (ARPA), Pub.L. 117-2, pursuant to which Colorado
11 received \$3,828,761,790 to mitigate the fiscal effects stemming from the
12 COVID-19 pandemic;

13 (b) Government recipients of ARPA money may use the money
14 to provide resources to meet the public health and economic needs of
15 those impacted by the COVID-19 pandemic and their communities;

16 (c) Expenditures for a program that provides grants to hospitals
17 in rural communities for projects that modernize the information
18 technology of hospitals in rural communities and projects that expand
19 access to health care in rural communities (grant program) are considered
20 an allowable use under ARPA and are necessary to respond to the
21 COVID-19 pandemic; and

22 (d) The grant program is a critical government service.

23 (3) The general assembly therefore declares that the grant program
24 is necessary to:

25 (a) Improve health-care access in rural communities;

26 (b) Drive financial sustainability for hospitals and clinics in rural
27 communities;

- 1 (c) Improve the efficiency of health-care services in rural
2 communities;
- 3 (d) Make investments in Colorado's rural economy;
- 4 (e) Modernize the information technology systems available to
5 health-care providers in rural communities;
- 6 (f) Improve access to critically needed health-care services in rural
7 communities, including behavioral health care, telemedicine, remote
8 patient monitoring, and long-term and recovery care in skilled nursing
9 facilities; and
- 10 (g) Lower the prices of health-care services in rural communities.

11 **SECTION 2.** In Colorado Revised Statutes, **add** 25.5-1-207 as
12 follows:

13 **25.5-1-207. Rural provider access and affordability stimulus**
14 **grant program - advisory committee - fund - reporting - rules -**
15 **definitions - repeal. (1) Definitions - rules. AS USED IN THIS SECTION:**

16 (a) "ADVISORY COMMITTEE" MEANS THE RURAL PROVIDER ACCESS
17 AND AFFORDABILITY ADVISORY COMMITTEE CREATED IN SUBSECTION
18 (3)(a) OF THIS SECTION.

19 (b) "AFFILIATE" HAS THE MEANING SET FORTH IN SECTION
20 25.5-4-402.8 (1)(b).

21 (c) "FRONTIER PROVIDER" MEANS A PROVIDER THAT IS LOCATED
22 IN A COUNTY IN THE STATE WITH A POPULATION DENSITY OF SIX OR FEWER
23 RESIDENTS PER ONE SQUARE MILE.

24 (d) "FUND" MEANS THE RURAL PROVIDER ACCESS AND
25 AFFORDABILITY FUND CREATED IN SUBSECTION (6)(a) OF THIS SECTION.

26 (e) "GRANT PROGRAM" MEANS THE RURAL PROVIDER ACCESS AND
27 AFFORDABILITY STIMULUS GRANT PROGRAM ESTABLISHED IN SUBSECTION

1 (2) OF THIS SECTION.

2 (f) "HEALTH-CARE ACCESS PROJECTS" MEANS THE PROJECTS
3 DESCRIBED IN SUBSECTION (2)(c)(II) OF THIS SECTION.

4 (g) "HEALTH-CARE AFFORDABILITY PROJECTS" MEANS THE
5 PROJECTS DESCRIBED IN SUBSECTION (2)(c)(I) OF THIS SECTION.

6 (h) "HOSPITAL" MEANS A HOSPITAL LICENSED OR CERTIFIED
7 PURSUANT TO SECTION 25-1.5-103 (1)(a) OR AN AFFILIATE OWNED OR
8 CONTROLLED, AS DEFINED IN SECTION 25.5-4-402.8 (1)(c), BY THE
9 HOSPITAL.

10 (i) "QUALIFIED RURAL PROVIDER" MEANS A RURAL HOSPITAL THAT
11 HAS A LOWER NET PATIENT REVENUE OR FUND BALANCE COMPARED WITH
12 OTHER RURAL HOSPITALS, AS DETERMINED BY THE STATE BOARD BY RULE.

13 (j) "RURAL COMMUNITY" MEANS:

14 (I) A COUNTY WITH A POPULATION OF FEWER THAN FIFTY
15 THOUSAND RESIDENTS; OR

16 (II) A MUNICIPALITY WITH A POPULATION OF FEWER THAN
17 TWENTY-FIVE THOUSAND RESIDENTS IF THE MUNICIPALITY IS NOT
18 CONTIGUOUS TO A MUNICIPALITY WITH A POPULATION OF TWENTY-FIVE
19 THOUSAND OR MORE RESIDENTS.

20 (k) "RURAL PROVIDER" MEANS A HOSPITAL THAT IS LOCATED IN A
21 RURAL COMMUNITY.

22 (l) "TELEMEDICINE" HAS THE MEANING SET FORTH IN SECTION
23 12-240-104 (6).

24 (2) **Grant program - permissible uses of grant money.** (a) THE
25 RURAL PROVIDER ACCESS AND AFFORDABILITY STIMULUS GRANT PROGRAM
26 IS HEREBY CREATED IN THE STATE DEPARTMENT. THE PURPOSE OF THE
27 GRANT PROGRAM IS TO PROVIDE STATE ASSISTANCE IN THE FORM OF

1 GRANTS TO QUALIFIED RURAL PROVIDERS BASED ON FINANCIAL NEED OR
2 THE ABILITY TO EXPAND HEALTH-CARE ACCESS. THE GRANT PROGRAM IS
3 INTENDED TO IMPROVE HEALTH-CARE AFFORDABILITY AND ACCESS IN
4 RURAL COMMUNITIES.

5 (b) IN CONSULTATION WITH THE ADVISORY COMMITTEE, THE STATE
6 DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM AND SHALL
7 AWARD GRANTS TO QUALIFIED RURAL PROVIDERS IN ACCORDANCE WITH
8 THIS SECTION. THE GRANTS ARE PAID OUT OF MONEY IN THE FUND.

9 (c) SUBJECT TO THE GUIDELINES ADOPTED PURSUANT TO
10 SUBSECTION (4) OF THIS SECTION AND THE RULES PROMULGATED BY THE
11 STATE BOARD PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION,
12 QUALIFIED RURAL PROVIDERS MAY USE THE MONEY RECEIVED THROUGH
13 THE GRANT PROGRAM FOR:

14 (I) PROJECTS THAT MODERNIZE THE INFORMATION TECHNOLOGY
15 INFRASTRUCTURE OF RURAL PROVIDERS, INCLUDING PROJECTS THAT:

16 (A) CREATE A SHARED ANALYTICS PLATFORM AND CARE
17 COORDINATION PLATFORMS AMONG RURAL PROVIDERS; AND

18 (B) ENABLE TECHNOLOGIES, INCLUDING TELEHEALTH AND
19 E-CONSULT SYSTEMS, THAT ALLOW RURAL PROVIDERS TO COMMUNICATE,
20 SHARE CLINICAL INFORMATION, AND CONSULT ELECTRONICALLY TO
21 MANAGE PATIENT CARE; AND

22 (II) PROJECTS THAT EXPAND ACCESS TO HEALTH CARE IN RURAL
23 COMMUNITIES, INCLUDING PROJECTS THAT:

24 (A) EXTEND HOURS FOR ACCESS TO HEALTH CARE IN RURAL
25 COMMUNITIES, INCLUDING ACCESS TO PRIMARY CARE AND BEHAVIORAL
26 HEALTH SERVICES;

27 (B) INVEST IN DUAL TRACK EMERGENCY DEPARTMENT

1 MANAGEMENT IN RURAL COMMUNITIES;

2 (C) EXPAND ACCESS TO TELEMEDICINE IN RURAL COMMUNITIES,
3 INCLUDING REMOTE MONITORING SUPPORT;

4 (D) PROVIDE NEW OR REPLACEMENT HOSPITAL BEDS IN RURAL
5 COMMUNITIES;

6 (E) EXPAND ACCESS TO REMOTE PATIENT MONITORING SYSTEMS
7 IN RURAL COMMUNITIES;

8 (F) EXPAND ACCESS IN RURAL COMMUNITIES TO LONG-TERM CARE
9 AND RECOVERY CARE IN SKILLED NURSING FACILITIES; AND

10 (G) CREATE OR EXPAND SITES THAT PROVIDE ACCESS IN RURAL
11 COMMUNITIES TO SURGICAL CARE; CHEMOTHERAPY CENTERS; IMAGING
12 AND ADVANCED IMAGING, INCLUDING MAGNETIC RESONANCE IMAGING
13 AND COMPUTERIZED TOMOGRAPHY SCANS; AND BEHAVIORAL HEALTH
14 CARE.

15 (d) TO BE ELIGIBLE TO RECEIVE GRANT MONEY FOR A CAPITAL
16 EXPENDITURE, A GRANT RECIPIENT MUST SUBMIT TO THE STATE
17 DEPARTMENT A WRITTEN JUSTIFICATION AS SET FORTH IN 31 CFR 35.6
18 (b)(4) FOR THE CAPITAL EXPENDITURE; EXCEPT THAT THIS REQUIREMENT
19 DOES NOT APPLY IF THE STATE DEPARTMENT DETERMINES THAT THE
20 WRITTEN JUSTIFICATION IS NOT REQUIRED BASED ON HOW THE
21 EXPENDITURES AUTHORIZED UNDER THIS SECTION WILL BE REPORTED TO
22 THE UNITED STATES DEPARTMENT OF THE TREASURY.

23 (3) **Advisory committee.** (a) THE RURAL PROVIDER ACCESS AND
24 AFFORDABILITY ADVISORY COMMITTEE IS HEREBY CREATED IN THE STATE
25 DEPARTMENT.

26 (b) THE ADVISORY COMMITTEE CONSISTS OF THE FOLLOWING
27 VOTING MEMBERS, APPOINTED BY THE EXECUTIVE DIRECTOR:

- 1 (I) ONE MEMBER REPRESENTING THE STATE DEPARTMENT;
- 2 (II) ONE MEMBER REPRESENTING THE DEPARTMENT OF PUBLIC
3 HEALTH AND ENVIRONMENT;
- 4 (III) ONE MEMBER REPRESENTING THE OFFICE OF EHEALTH
5 INNOVATION IN THE LIEUTENANT GOVERNOR'S OFFICE;
- 6 (IV) ONE MEMBER REPRESENTING A NONPROFIT ORGANIZATION
7 WITH EXPERTISE IN HEALTH CARE IN RURAL COMMUNITIES;
- 8 (V) FOUR MEMBERS REPRESENTING RURAL PROVIDERS, INCLUDING
9 AT LEAST TWO FRONTIER PROVIDERS; AND
- 10 (VI) ONE HEALTH-CARE CONSUMER LOCATED IN A RURAL
11 COMMUNITY WHO IS A MEMBER OF THE DISABLED COMMUNITY.

12 (c) THE EXECUTIVE DIRECTOR SHALL MAKE ALL APPOINTMENTS TO
13 THE ADVISORY COMMITTEE NO LATER THAN AUGUST 1, 2022. ADVISORY
14 COMMITTEE MEMBERS SERVE FOR THE DURATION OF THE ADVISORY
15 COMMITTEE. THE EXECUTIVE DIRECTOR SHALL FILL ANY VACANCY BY
16 APPOINTMENT.

17 (d) THE EXECUTIVE DIRECTOR SHALL CONVENE THE FIRST MEETING
18 OF THE ADVISORY COMMITTEE NO LATER THAN SEPTEMBER 1, 2022. AT
19 THE FIRST MEETING, THE ADVISORY COMMITTEE SHALL SELECT A CHAIR
20 AND VICE-CHAIR FROM AMONG ITS MEMBERS. THE ADVISORY COMMITTEE
21 SHALL CONDUCT AT LEAST TWO MEETINGS EACH YEAR AND MAY AGREE TO
22 CONDUCT MEETINGS MORE FREQUENTLY.

23 (e) THE ADVISORY COMMITTEE SHALL ADVISE AND MAKE FORMAL
24 RECOMMENDATIONS TO:

- 25 (I) THE STATE DEPARTMENT ON:
 - 26 (A) THE ADMINISTRATION OF THE GRANT PROGRAM;
 - 27 (B) THE GUIDELINES ADOPTED PURSUANT TO SUBSECTION (4) OF

1 THIS SECTION; AND

2 (C) THE SELECTION OF GRANT RECIPIENTS; AND

3 (II) THE STATE BOARD ON THE RULES PROMULGATED PURSUANT TO
4 SUBSECTION (5) OF THIS SECTION.

5 (4) **Guidelines.** (a) ON OR BEFORE DECEMBER 31, 2022, THE
6 STATE DEPARTMENT, IN CONSULTATION WITH THE ADVISORY COMMITTEE,
7 SHALL ADOPT GUIDELINES FOR THE GRANT PROGRAM THAT INCLUDE:

8 (I) PROCEDURES AND TIMELINES BY WHICH A QUALIFIED RURAL
9 PROVIDER MAY APPLY FOR A GRANT;

10 (II) CRITERIA FOR DETERMINING GRANT ELIGIBILITY AND GRANT
11 AMOUNTS; AND

12 (III) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS IN
13 ACCORDANCE WITH SUBSECTION (8)(b) OF THIS SECTION AND THE RULES
14 PROMULGATED BY THE STATE BOARD PURSUANT TO SUBSECTION (5)(c) OF
15 THIS SECTION.

16 (b) THE STATE DEPARTMENT SHALL POST THE GUIDELINES ON THE
17 STATE DEPARTMENT'S WEBSITE.

18 (5) **Rules.** ON OR BEFORE DECEMBER 31, 2022, THE STATE BOARD,
19 IN CONSULTATION WITH THE STATE DEPARTMENT, SHALL PROMULGATE
20 RULES AS NECESSARY FOR THE ADMINISTRATION OF THIS SECTION THAT
21 INCLUDE:

22 (a) A METHODOLOGY TO DETERMINE WHICH RURAL PROVIDERS
23 ARE CONSIDERED QUALIFIED RURAL PROVIDERS;

24 (b) PERMISSIBLE USES OF GRANT MONEY; AND

25 (c) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

26 (6) **Fund.** (a) THE RURAL PROVIDER ACCESS AND AFFORDABILITY
27 FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS

1 OF:

2 (I) MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION
3 (7) OF THIS SECTION;

4 (II) MONEY APPROPRIATED OR TRANSFERRED TO THE FUND BY THE
5 GENERAL ASSEMBLY; AND

6 (III) ANY GIFTS, GRANTS, OR DONATIONS FROM ANY PUBLIC OR
7 PRIVATE SOURCES, INCLUDING GOVERNMENTAL ENTITIES.

8 (b) THE STATE DEPARTMENT IS AUTHORIZED TO SEEK, ACCEPT,
9 AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PUBLIC OR PRIVATE
10 SOURCES FOR THE PURPOSES OF THE GRANT PROGRAM. THE STATE
11 DEPARTMENT SHALL TRANSMIT ALL PUBLIC OR PRIVATE MONEY RECEIVED
12 THROUGH GIFTS, GRANTS, AND DONATIONS TO THE STATE TREASURER,
13 WHO SHALL CREDIT THE SAME TO THE FUND.

14 (c) EXCEPT AS OTHERWISE REQUIRED BY THIS SUBSECTION (6)(c),
15 ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED
16 ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, MUST REMAIN
17 IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY
18 OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND
19 IS CONTINUOUSLY APPROPRIATED TO THE STATE DEPARTMENT FOR THE
20 PURPOSES OF THIS SECTION. ANY MONEY IN THE FUND NOT EXPENDED OR
21 ENCUMBERED BY JULY 1, 2024, MUST REVERT TO THE ECONOMIC
22 RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 (2)(a).

23 (7) **Transfer.** NO LATER THAN JULY 1, 2022, THE STATE
24 TREASURER SHALL TRANSFER TEN MILLION DOLLARS FROM THE ECONOMIC
25 RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 (2)(a)
26 TO THE FUND. THE STATE DEPARTMENT SHALL USE:

27 (a) FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS FOR

1 AWARDING GRANTS FOR HEALTH-CARE AFFORDABILITY PROJECTS;

2 (b) FOUR MILLION EIGHT HUNDRED THOUSAND DOLLARS FOR
3 AWARDING GRANTS FOR HEALTH-CARE ACCESS PROJECTS; AND

4 (c) UP TO FOUR HUNDRED THOUSAND DOLLARS FOR THE COSTS OF
5 ADMINISTERING THE GRANT PROGRAM.

6 (8) **Reporting.** (a) IN ITS PRESENTATION TO THE JOINT
7 COMMITTEES OF REFERENCE PURSUANT TO SECTION 2-7-203, THE STATE
8 DEPARTMENT SHALL REPORT ON THE PROGRESS OF THE GRANT PROGRAM,
9 INCLUDING A REPORT ON THE AMOUNT OF GRANT MONEY AWARDED TO
10 EACH GRANT RECIPIENT AND A DESCRIPTION OF EACH GRANT RECIPIENT'S
11 USE OF THE GRANT MONEY.

12 (b) THE STATE DEPARTMENT AND ANY PERSON THAT RECEIVES
13 MONEY FROM THE STATE DEPARTMENT, INCLUDING EACH GRANT
14 RECIPIENT, SHALL COMPLY WITH THE COMPLIANCE, REPORTING,
15 RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS
16 ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND
17 THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

18 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

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