

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

**REVISED**

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

LLS NO. 24-0346.01 Shelby Ross x4510

**HOUSE BILL 24-1038**

**HOUSE SPONSORSHIP**

**Young and Bradley**, Duran, Evans, Froelich, Joseph, Pugliese, Amabile, Bacon, Bird, Boesenecker, Brown, Daugherty, deGruy Kennedy, English, Hamrick, Herod, Jodeh, Kipp, Lieder, Lindsay, Lukens, Marshall, McCluskie, McLachlan, Ortiz, Rutinel, Sirota, Snyder, Story, Taggart, Titone

**SENATE SPONSORSHIP**

**Kirkmeyer and Fields**, Michaelson Jenet, Zenzinger

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**House Committees**

Health & Human Services  
Appropriations

**Senate Committees**

Health & Human Services  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING ADDRESSING THE HIGH-ACUITY CRISIS FOR CHILDREN**  
102 **AND YOUTH IN NEED OF RESIDENTIAL CARE, AND, IN**  
103 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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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/>.)*

**Colorado's Child Welfare System Interim Study Committee.**

The bill requires the department of health care policy and financing, in collaboration with the behavioral health administration (BHA) and the department of human services, to develop a system of care (system of care) for children and youth who are less than 21 years of age and who

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

SENATE  
Amended 2nd Reading  
May 4, 2024

HOUSE  
3rd Reading Unamended  
April 29, 2024

HOUSE  
Amended 2nd Reading  
April 26, 2024

have complex behavioral health needs. At a minimum, the system of care must include:

- Implementation of a standardized assessment tool;
- Intensive-care coordination;
- Expanded supportive services; and
- Expanded access to treatment foster care.

The bill creates the residential child care provider training academy in the department of human services to create a pipeline of high-quality staff for residential child care providers and ensure that individuals hired to work at residential child care facilities receive the necessary training to perform the individual's job functions responsibly and effectively.

The bill requires the department of human services to develop a system to establish and monitor quality standards for residential child care providers and ensure the quality standards are implemented into all levels of care that serve children and youth in out-of-home placement. The bill requires the department of human services to develop a system to incentivize residential child care providers to implement quality standards above the department of human services' established minimum standards.

The bill requires the department of human services to make a directory of each residential child care provider's quality assurance publicly available on the department's website.

The department of human services program that provides emergency resources to licensed providers to help remove barriers the providers face in serving children and youth whose behavioral or mental health needs require services and treatment in a residential child care facility currently repeals on July 1, 2028. The bill extends the program indefinitely and requires the department of human services to contract with additional licensed providers for the delivery of services to children and youth who are eligible for and placed in the program.

The bill requires the department of human services and the BHA to increase the minimum reimbursement rates paid to qualified residential treatment programs for the purpose of aligning room and board payments across payer sources.

The bill requires the department of health care policy and financing to contract with a third-party vendor to complete an actuarial analysis in order to determine the appropriate medicaid reimbursement rate for psychiatric residential treatment facilities.

The bill requires the department of human services to contract with one or more third-party vendors to implement a pilot program to assess the needs of, and provide short-term residential services for, juvenile justice-involved youth who do not meet the criteria for detention.

1           **SECTION 1.** In Colorado Revised Statutes, **add** part 20 to article  
2 of title 25.5 as follows:

3   PART 20

4           SYSTEM OF CARE FOR CHILDREN AND YOUTH WITH  
5           COMPLEX BEHAVIORAL HEALTH NEEDS

6           **25.5-6-2001. System of care for children and youth - federal  
7 authorization - leadership and implementation team - report - rules**

8 **- definition.** (1) NO LATER THAN JULY 1, 2024, THE STATE DEPARTMENT,  
9 IN COLLABORATION WITH THE BEHAVIORAL HEALTH ADMINISTRATION,  
10 AND THE DEPARTMENT OF HUMAN SERVICES PURSUANT TO ARTICLE 64.5  
11 OF TITLE 27, SHALL BEGIN DEVELOPING A SYSTEM OF CARE FOR CHILDREN  
12 AND YOUTH WHO HAVE COMPLEX BEHAVIORAL HEALTH NEEDS. AT A  
13 MINIMUM, THE SYSTEM OF CARE MUST INCLUDE:

14           (a) IMPLEMENTATION OF A STANDARDIZED ASSESSMENT TOOL  
15 THAT:

16           (I) EXPANDS UPON AND MODIFIES THE ASSESSMENT TOOL  
17 DESCRIBED IN SECTION 19-1-115 (4)(e)(I);

18           (II) MAKES RECOMMENDATIONS REGARDING THE APPROPRIATE  
19 LEVEL OF CARE NECESSARY TO MEET THE CHILD'S OR YOUTH'S TREATMENT  
20 NEEDS;

21           (III) INFORMS THE CHILD'S OR YOUTH'S TREATMENT PLANNING,  
22 INCLUDING BEHAVIORAL HEALTH PROGRAMMING AND MEDICAL NEEDS;  
23 AND

24           (IV) IS ADMINISTERED TO CHILDREN AND YOUTH WHO ARE  
25 ENROLLED IN THE MEDICAL ASSISTANCE PROGRAM OR ANY CHILD OR  
26 YOUTH WHO MEETS THE REFERRAL REQUIREMENTS ESTABLISHED BY THE  
27 BEHAVIORAL HEALTH ADMINISTRATION PURSUANT TO ARTICLE 64.5 OF

1 TITLE 27;

2 (b) INTENSIVE-CARE COORDINATION FOR CHILDREN AND YOUTH  
3 ENROLLED IN THE MEDICAL ASSISTANCE PROGRAM;

4 (c) EXPANDED SUPPORTIVE SERVICES FOR CHILDREN AND YOUTH  
5 PURSUANT TO SUBSECTION (4) OF THIS SECTION; AND

6 (d) EXPANDED ACCESS TO TREATMENT FOSTER CARE, AS DEFINED  
7 IN SECTION 26-6-903, PURSUANT TO SUBSECTION (5) OF THIS SECTION.

8 (2) (a) NO LATER THAN NOVEMBER 1, 2024, THE STATE  
9 DEPARTMENT SHALL CONVENE A LEADERSHIP TEAM THAT IS RESPONSIBLE  
10 FOR THE DECISION-MAKING AND OVERSIGHT OF THE SYSTEM OF CARE FOR  
11 CHILDREN AND YOUTH WHO HAVE COMPLEX BEHAVIORAL HEALTH NEEDS.

12 (b) THE LEADERSHIP TEAM CONSISTS OF THE FOLLOWING  
13 MEMBERS:

14 (I) THE EXECUTIVE DIRECTOR OF THE STATE DEPARTMENT, OR THE  
15 EXECUTIVE DIRECTOR'S DESIGNEE;

16 (II) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HUMAN  
17 SERVICES, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

18 (III) THE COMMISSIONER OF THE BEHAVIORAL HEALTH  
19 ADMINISTRATION IN THE DEPARTMENT OF HUMAN SERVICES, OR THE  
20 COMMISSIONER'S DESIGNEE;

21 (IV) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC  
22 HEALTH AND ENVIRONMENT, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

23 (V) THE COMMISSIONER OF THE DEPARTMENT OF EDUCATION, OR  
24 THE COMMISSIONER'S DESIGNEE;

25 (VI) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EARLY  
26 CHILDHOOD, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

27 (VII) THE COMMISSIONER OF THE DIVISION OF INSURANCE IN THE

1 DEPARTMENT OF REGULATORY AGENCIES, OR THE COMMISSIONER'S  
2 DESIGNEE;

3 (VIII) ONE COUNTY COMMISSIONER, OR THE COUNTY  
4 COMMISSIONER'S DESIGNEE, FROM THE EASTERN REGION, THE FRONT  
5 RANGE REGION, THE MOUNTAIN REGION, THE SOUTHERN REGION, AND THE  
6 WESTERN REGION, AS DESIGNATED BY THE STATEWIDE ORGANIZATION  
7 THAT REPRESENTS COUNTY COMMISSIONERS;

8 (IX) ONE COUNTY COMMISSIONER AT LARGE, OR A COUNTY  
9 COMMISSIONER'S DESIGNEE;

10 (X) ONE DIRECTOR OF A COUNTY DEPARTMENT OF HUMAN OR  
11 SOCIAL SERVICES AT LARGE, OR THE DIRECTOR'S DESIGNEE, AS  
12 DESIGNATED BY THE STATEWIDE ORGANIZATION THAT REPRESENTS  
13 COUNTY DEPARTMENT OF HUMAN OR SOCIAL SERVICES DIRECTORS;

14 (XI) ONE OR MORE FAMILIES OR INDIVIDUALS WITH LIVED  
15 EXPERIENCE USING CHILDREN'S OR YOUTH'S BEHAVIORAL HEALTH  
16 SERVICES, APPOINTED BY THE COMMISSIONER OF THE BEHAVIORAL HEALTH  
17 ADMINISTRATION; AND

18 (XII) ONE OR MORE REPRESENTATIVES FROM A CONSUMER  
19 ADVOCACY ORGANIZATION, APPOINTED BY THE COMMISSIONER OF THE  
20 BEHAVIORAL HEALTH ADMINISTRATION.

21 (c) THE LEADERSHIP TEAM HAS THE FOLLOWING DUTIES AND  
22 RESPONSIBILITIES:

23 (I) TO EVALUATE THE PERFORMANCE AND EFFECTIVENESS OF THE  
24 STATE DEPARTMENT IN THE DEVELOPMENT OF THE SYSTEM OF CARE FOR  
25 CHILDREN AND YOUTH WITH COMPLEX BEHAVIORAL HEALTH NEEDS;

26 (II) TO OVERSEE AND ADVISE THE STRATEGIC DIRECTION OF THE  
27 DEVELOPMENT OF THE SYSTEM OF CARE; AND

1           (III) TO PROVIDE FISCAL OVERSIGHT OF THE STATE DEPARTMENT'S  
2           DEVELOPMENT AND OVERSIGHT OF THE SYSTEM OF CARE.

3           (3) (a) No LATER THAN OCTOBER 1, 2024, THE STATE  
4           DEPARTMENT SHALL CONVENE AN IMPLEMENTATION TEAM THAT SHALL  
5           CREATE A PLAN TO IMPLEMENT THE SYSTEM OF CARE FOR CHILDREN AND  
6           YOUTH WHO HAVE COMPLEX BEHAVIORAL HEALTH NEEDS.

7           (b) THE IMPLEMENTATION TEAM CONSISTS OF THE FOLLOWING  
8           MEMBERS:

9           (I) THE EXECUTIVE DIRECTOR OF THE STATE DEPARTMENT, OR THE  
10          EXECUTIVE DIRECTOR'S DESIGNEE;

11          (II) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HUMAN  
12          SERVICES, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

13          (III) THE COMMISSIONER OF THE BEHAVIORAL HEALTH  
14          ADMINISTRATION IN THE DEPARTMENT OF HUMAN SERVICES, OR THE  
15          COMMISSIONER'S DESIGNEE;

16          (IV) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC  
17          HEALTH AND ENVIRONMENT, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

18          (V) THE COMMISSIONER OF THE DEPARTMENT OF EDUCATION, OR  
19          THE COMMISSIONER'S DESIGNEE;

20          (VI) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF EARLY  
21          CHILDHOOD, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

22          (VII) THE COMMISSIONER OF THE DIVISION OF INSURANCE IN THE  
23          DEPARTMENT OF REGULATORY AGENCIES, OR THE COMMISSIONER'S  
24          DESIGNEE;

25          (VIII) ONE OR MORE COUNTY COMMISSIONERS, AS DESIGNATED BY  
26          THE STATEWIDE ORGANIZATION THAT REPRESENTS COUNTY  
27          COMMISSIONERS;

1           (IX) ONE OR MORE DIRECTORS OF A COUNTY DEPARTMENT OF  
2           HUMAN OR SOCIAL SERVICES, OR THE DIRECTOR'S DESIGNEE, AS  
3           DESIGNATED BY THE STATEWIDE ORGANIZATION THAT REPRESENTS  
4           COUNTY DEPARTMENT OF HUMAN OR SOCIAL SERVICES DIRECTORS;

5           (X) ONE OR MORE FAMILIES OR INDIVIDUALS WITH LIVED  
6           EXPERIENCE USING CHILDREN'S OR YOUTH'S BEHAVIORAL HEALTH  
7           SERVICES, APPOINTED BY THE COMMISSIONER OF THE BEHAVIORAL HEALTH  
8           ADMINISTRATION;

9           (XI) ONE OR MORE REPRESENTATIVES FROM A CONSUMER  
10          ADVOCACY ORGANIZATION, APPOINTED BY THE COMMISSIONER OF THE  
11          BEHAVIORAL HEALTH ADMINISTRATION;

12          (XII) A REPRESENTATIVE OF THE STATEWIDE ASSOCIATION THAT  
13          REPRESENTS CHILD WELFARE AGENCIES, APPOINTED BY THE DIRECTOR OF  
14          THE ASSOCIATION;

15          (XIII) A REPRESENTATIVE OF THE STATEWIDE ASSOCIATION THAT  
16          REPRESENTS HOSPITALS, APPOINTED BY THE DIRECTOR OF THE  
17          ASSOCIATION; AND

18          (XIV) A REPRESENTATIVE OF THE STATEWIDE ASSOCIATION THAT  
19          REPRESENTS COMPREHENSIVE BEHAVIORAL HEALTH PROVIDERS,  
20          APPOINTED BY THE DIRECTOR OF THE ASSOCIATION.

21          (4) NO LATER THAN JANUARY 1, 2025, THE STATE DEPARTMENT  
22          SHALL SEEK FEDERAL AUTHORIZATION TO EXPAND THE RESIDENTIAL CHILD  
23          HEALTH-CARE PROGRAM ESTABLISHED PURSUANT TO SECTION 25.5-6-903  
24          TO INCLUDE CHILDREN AND YOUTH WHO HAVE A SERIOUS EMOTIONAL  
25          DISTURBANCE THAT PUTS THE CHILD OR YOUTH AT RISK OR IN NEED OF  
26          OUT-OF-HOME PLACEMENT.

27          (5) NO LATER THAN JANUARY 1, 2025, THE STATE DEPARTMENT

1 SHALL DEVELOP AND IMPLEMENT A PLAN TO INCREASE ACCESS TO  
2 TREATMENT FOSTER CARE, AS DEFINED IN SECTION 26-6-903, UNDER THE  
3 STATE MEDICAL ASSISTANCE PROGRAM.

4 (6) THE STATE DEPARTMENT MAY PROMULGATE RULES IN  
5 CONSULTATION WITH THE BEHAVIORAL HEALTH ADMINISTRATION AND THE  
6 DEPARTMENT OF HUMAN SERVICES FOR THE ADMINISTRATION AND  
7 IMPLEMENTATION OF THE SYSTEM OF CARE FOR CHILDREN AND YOUTH.

8 (7)(a) NO LATER THAN JANUARY 1, 2025, THE DEPARTMENT OF  
9 HEALTH CARE POLICY AND FINANCING SHALL CONTRACT WITH A  
10 THIRD-PARTY VENDOR TO COMPLETE AN ACTUARIAL ANALYSIS IN ORDER  
11 TO DETERMINE THE APPROPRIATE MEDICAID REIMBURSEMENT RATE FOR  
12 PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES, AS DEFINED IN SECTION  
13 25.5-4-103.

14 (b) BEGINNING JANUARY 2025, AND EACH QUARTER THEREAFTER,  
15 THE STATE DEPARTMENT SHALL REPORT PROGRESS ON THE DEVELOPMENT  
16 AND IMPLEMENTATION OF THE SYSTEM OF CARE DEVELOPED PURSUANT TO  
17 THIS SECTION TO THE JOINT BUDGET COMMITTEE.

18 (8) AS USED IN THIS SECTION, "CHILD OR YOUTH" MEANS AN  
19 INDIVIDUAL WHO IS LESS THAN TWENTY-ONE YEARS OF AGE.

20 **SECTION 2.** In Colorado Revised Statutes, **add** 26-6-923 as  
21 follows:

22 **26-6-923. Residential child care provider training academy -**  
23 **clinical quality and oversight - report - rules - definition.** (1) THE  
24 RESIDENTIAL CHILD CARE PROVIDER TRAINING ACADEMY IS CREATED IN  
25 THE STATE DEPARTMENT TO FACILITATE A PIPELINE OF HIGH-QUALITY  
26 STAFF FOR RESIDENTIAL CHILD CARE PROVIDERS AND ENSURE THAT  
27 INDIVIDUALS HIRED TO WORK AT RESIDENTIAL CHILD CARE FACILITIES

1 RECEIVE THE NECESSARY TRAINING TO PERFORM THE INDIVIDUAL'S JOB  
2 FUNCTIONS RESPONSIBLY AND EFFECTIVELY.

3 (2) ON OR BEFORE SEPTEMBER 15, 2025, THE STATE DEPARTMENT  
4 SHALL PROMULGATE RULES FOR THE ADMINISTRATION OF THE ACADEMY.  
5 AT A MINIMUM, THE RULES MUST INCLUDE:

6 (a) IDENTIFICATION OF SPECIFIC RESIDENTIAL CHILD CARE  
7 PROVIDER TYPES THAT ARE REQUIRED TO UTILIZE THE ACADEMY;

8 (b) IDENTIFICATION OF SPECIFIC RESIDENTIAL PROVIDER STAFF  
9 MEMBERS WHO ARE REQUIRED TO OBTAIN ACADEMY TRAINING;

10 (c) ESTABLISHMENT OF MINIMUM STANDARDS OF COMPETENCE  
11 THAT A STAFF MEMBER SHALL DEMONSTRATE PRIOR TO RECEIVING  
12 ACADEMY CERTIFICATION;

13 (d) IDENTIFICATION OF THE MEANS BY WHICH A STAFF MEMBER  
14 MAY DEMONSTRATE THE MINIMUM STANDARDS OF COMPETENCE REQUIRED  
15 PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION; AND

16 (e) IDENTIFICATION OF TRAINING CURRICULA, WHICH MUST  
17 INCLUDE CULTURAL COMPETENCY FOR PROVIDERS.

18 (3) NO LATER THAN JULY 1, 2025, THE STATE DEPARTMENT SHALL  
19 DEVELOP A SYSTEM TO ESTABLISH AND MONITOR QUALITY STANDARDS  
20 FOR RESIDENTIAL CHILD CARE PROVIDERS, INCLUDING CLINICAL CARE FOR  
21 CHILDREN AND YOUTH IN RESIDENTIAL TREATMENT SETTINGS, AND  
22 ENSURE THE QUALITY STANDARDS ARE IMPLEMENTED INTO ALL LEVELS OF  
23 CARE THAT SERVE CHILDREN AND YOUTH IN OUT-OF-HOME PLACEMENT.

24 (4) NO LATER THAN JULY 1, 2026, THE STATE DEPARTMENT SHALL  
25 DEVELOP A SYSTEM TO INCENTIVIZE RESIDENTIAL CHILD CARE PROVIDERS  
26 TO IMPLEMENT QUALITY STANDARDS ABOVE THE MINIMUM STANDARDS  
27 ESTABLISHED BY THE STATE DEPARTMENT PURSUANT TO SUBSECTION (3)

1 OF THIS SECTION.

2 (5) NO LATER THAN JULY 1, 2026, THE STATE DEPARTMENT SHALL  
3 MAKE PUBLICLY AVAILABLE ON THE STATE DEPARTMENT'S WEBSITE A  
4 DIRECTORY OF EACH RESIDENTIAL CHILD CARE PROVIDER'S QUALITY  
5 ASSURANCE.

6 (6) (a) NO LATER THAN JANUARY 1, 2025, THE STATE DEPARTMENT  
7 SHALL COLLECT DATA FROM RESIDENTIAL CHILD CARE PROVIDERS ON THE  
8 REASONS PROVIDERS DENY, OR ARE UNABLE TO PROVIDE, RESIDENTIAL  
9 CHILD CARE SERVICES TO CHILDREN AND YOUTH.

10 (b) UPON IMPLEMENTATION OF THE BEHAVIORAL HEALTH  
11 CAPACITY TRACKING SYSTEM CREATED PURSUANT TO SECTION  
12 27-60-104.5, THE BEHAVIORAL HEALTH ADMINISTRATION SHALL PROVIDE  
13 TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH  
14 AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN  
15 SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, A REPORT ON  
16 RESIDENTIAL CHILD CARE PROVIDER DENIALS OF CARE.

17 (7) NO LATER THAN JULY 1, 2026, AND EACH JULY THEREAFTER,  
18 THE STATE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE  
19 HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH AND  
20 HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN  
21 SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ON THE  
22 IMPLEMENTATION OF QUALITY STANDARDS DEVELOPED PURSUANT TO  
23 SUBSECTION (3) OF THIS SECTION.

24 (8) EACH LOCAL EDUCATION PROVIDER IS RESPONSIBLE FOR  
25 ENSURING A CHILD RESIDING WITHIN ITS DISTRICT RECEIVES FREE AND  
26 APPROPRIATE PUBLIC EDUCATION THAT IS CONSISTENT WITH ALL  
27 APPLICABLE FEDERAL AND STATUTE STATUTES, RULES, AND REGULATIONS.

1 (9) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
2 REQUIRES:

3 (a) "ACADEMY" MEANS THE RESIDENTIAL CHILD CARE PROVIDER  
4 TRAINING ACADEMY CREATED IN SUBSECTION (1) OF THIS SECTION.

5 (b) "CHILD OR YOUTH" MEANS AN INDIVIDUAL WHO IS LESS THAN  
6 TWENTY-ONE YEARS OF AGE.

7 **SECTION 3.** In Colorado Revised Statutes, 26-5-117, **repeal** (8)  
8 and (9); and **add** (2)(d), (10), (11), (12), and (13) as follows:

9 **26-5-117. Out-of-home placement for children and youth with**  
10 **mental or behavioral needs - funding - report - rules - legislative**  
11 **declaration - definitions - repeal.** (2) (d) NO LATER THAN JANUARY 1,  
12 2025, AND SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE  
13 DEPARTMENT SHALL EXPAND THE NUMBER OF TREATMENT BEDS  
14 AVAILABLE UNDER THE PROGRAM CREATED PURSUANT TO SUBSECTION  
15 (2)(a) OF THIS SECTION.

16 ~~(8) This section is intended to provide enhanced emergency~~  
17 ~~services resulting from the increased need for services due to the~~  
18 ~~COVID-19 pandemic. No later than September 30, 2024, the state~~  
19 ~~department shall submit recommendations to the house of representatives~~  
20 ~~public and behavioral health and human services committee, the senate~~  
21 ~~health and human services committee, or their successor committees, and~~  
22 ~~the joint budget committee about how to provide necessary services for~~  
23 ~~children and youth in need of residential care, including hospital~~  
24 ~~step-down services on an ongoing basis.~~

25 ~~(9) This section is repealed, effective July 1, 2028.~~

26 (10) THE STATE DEPARTMENT SHALL ANALYZE THE LOCATION OF  
27 EXISTING CAPACITY OF SPECIALIZED FOSTER CARE SETTINGS ACROSS THE

1 STATE, WHERE GAPS EXIST, AND BARRIERS TO EXPANDING SPECIALIZED  
2 FOSTER CARE SETTINGS, AND PROVIDE RECOMMENDATIONS TO ACHIEVE  
3 NETWORK ADEQUACY OF SPECIALIZED FOSTER CARE SUPPORTS STATEWIDE.

4 (11) (a) SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE  
5 DEPARTMENT AND THE BEHAVIORAL HEALTH ADMINISTRATION SHALL  
6 INCREASE THE MINIMUM REIMBURSEMENT RATES PAID TO QUALIFIED  
7 RESIDENTIAL TREATMENT PROGRAMS FOR THE PURPOSE OF ALIGNING  
8 ROOM AND BOARD PAYMENTS ACROSS PAYER SOURCES.

9 (b) THE BEHAVIORAL HEALTH ADMINISTRATION SHALL REIMBURSE  
10 QUALIFIED RESIDENTIAL TREATMENT PROGRAM PROVIDERS FOR THE COST  
11 OF ROOM AND BOARD PURSUANT TO SUBSECTION (11)(a) OF THIS SECTION  
12 FOR CHILDREN AND YOUTH WHO ARE ELIGIBLE FOR THE STATE MEDICAL  
13 ASSISTANCE PROGRAM BUT NOT IN THE CUSTODY OF A COUNTY CHILD  
14 WELFARE AGENCY.

15 (12) NO LATER THAN DECEMBER 31, 2025, AND SUBJECT TO  
16 AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL CONTRACT  
17 WITH ONE OR MORE THIRD-PARTY VENDORS TO IMPLEMENT A PILOT  
18 PROGRAM TO ASSESS THE NEEDS OF, AND PROVIDE SHORT-TERM  
19 RESIDENTIAL SERVICES FOR, JUVENILE JUSTICE-INVOLVED YOUTH WHO DO  
20 NOT MEET THE CRITERIA FOR DETENTION PURSUANT TO SECTIONS  
21 19-2.5-303 AND 19-2.5-304.

22 (13) (a) NO LATER THAN SEPTEMBER 15, 2024, AND SUBJECT TO  
23 AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL CONTRACT  
24 WITH ADDITIONAL LICENSED PROVIDERS FOR THE DELIVERY OF SERVICES  
25 TO CHILDREN AND YOUTH WHO ARE DETERMINED ELIGIBLE FOR AND  
26 PLACED IN THE PROGRAM CREATED PURSUANT TO SUBSECTION (2)(a) OF  
27 THIS SECTION.

1 (b) TO THE EXTENT SUCH DATA IS AVAILABLE, THE STATE  
2 DEPARTMENT SHALL BASE ITS EFFORTS TO CONTRACT WITH ADDITIONAL  
3 LICENSED PROVIDERS ON AN ANALYSIS OF THE COLORADO CHILD AND  
4 ADOLESCENT NEEDS AND STRENGTHS DATA FROM INDEPENDENT  
5 ASSESSMENTS FOR CHILDREN AND YOUTH WHO ARE BOARDING IN A  
6 HOSPITAL, IN A STOPGAP COUNTY DEPARTMENT OF HUMAN OR SOCIAL  
7 SERVICES OFFICE OR HOTEL, OR IN A DETENTION SETTING, AND WHO ARE  
8 INVOLVED WITH THE STATE-LEVEL MULTI-AGENCY CHILD AND YOUTH  
9 CONSULTANT TEAM BECAUSE THEY WERE DENIED CARE FROM A  
10 RESIDENTIAL CHILD CARE PROVIDER. ANY INFORMATION RECEIVED AND  
11 ANALYZED PURSUANT TO THIS SUBSECTION (13)(b) MUST BE  
12 DE-IDENTIFIED AND AGGREGATED TO MAINTAIN CONFIDENTIALITY AND  
13 PRIVACY OF EACH CHILD AND YOUTH.

14 **SECTION 4.** In Colorado Revised Statutes, **add** article 64.5 to  
15 title 27 as follows:

16 **ARTICLE 64.5**

17 **System of Care for Children and Youth with**  
18 **Complex Behavioral Health Needs**

19 **27-64.5-101. Definitions.** AS USED IN THIS ARTICLE 64.5, UNLESS  
20 THE CONTEXT OTHERWISE REQUIRES:

21 (1) "BEHAVIORAL HEALTH ADMINISTRATION" OR "BHA" MEANS  
22 THE BEHAVIORAL HEALTH ADMINISTRATION ESTABLISHED IN SECTION  
23 27-50-102.

24 (2) "CHILD OR YOUTH" MEANS AN INDIVIDUAL WHO IS LESS THAN  
25 TWENTY-ONE YEARS OF AGE.

26 (3) "STATE DEPARTMENT" MEANS THE STATE DEPARTMENT OF  
27 HUMAN SERVICES CREATED PURSUANT TO SECTION 26-1-105.

1                   **27-64.5-102. System of care for children and youth - report**

2   **- rules.** (1) NO LATER THAN JULY 1, 2024, THE BEHAVIORAL HEALTH  
3   ADMINISTRATION, IN COLLABORATION WITH THE STATE DEPARTMENT AND  
4   THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING PURSUANT TO  
5   PART 20 OF ARTICLE 6 OF TITLE 25.5, SHALL BEGIN DEVELOPING A SYSTEM  
6   OF CARE FOR CHILDREN AND YOUTH WHO HAVE COMPLEX BEHAVIORAL  
7   HEALTH NEEDS. AT A MINIMUM, THE SYSTEM OF CARE MUST INCLUDE:

8                   (a) IMPLEMENTATION OF A STANDARDIZED ASSESSMENT TOOL  
9   THAT:

10                  (I) EXPANDS UPON AND MODIFIES THE ASSESSMENT TOOL  
11   DESCRIBED IN SECTION 19-1-115 (4)(e)(I);

12                  (II) MAKES RECOMMENDATIONS REGARDING THE APPROPRIATE  
13   LEVEL OF CARE NECESSARY TO MEET THE CHILD'S OR YOUTH'S TREATMENT  
14   NEEDS;

15                  (III) INFORMS THE CHILD'S OR YOUTH'S TREATMENT PLANNING,  
16   INCLUDING BEHAVIORAL HEALTH PROGRAMMING AND MEDICAL NEEDS;  
17   AND

18                  (IV) IS ADMINISTERED TO CHILDREN AND YOUTH WHO ARE  
19   ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM OR ANY CHILD  
20   OR YOUTH WHO MEETS THE REFERRAL REQUIREMENTS ESTABLISHED BY  
21   THE BEHAVIORAL HEALTH ADMINISTRATION, THE STATE DEPARTMENT,  
22   AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, WHICH  
23   REQUIREMENTS MUST NOT EXCLUDE A CHILD OR YOUTH BASED ON THE  
24   CHILD'S OR YOUTH'S DISABILITY OR DIAGNOSIS;

25                  (b) INTENSIVE-CARE COORDINATION FOR CHILDREN AND YOUTH  
26   ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM PURSUANT TO  
27   ARTICLES 4, 5, AND 6 OF TITLE 25.5;

1 (c) EXPANDED SUPPORTIVE SERVICES FOR CHILDREN AND YOUTH  
2 PURSUANT TO SUBSECTION (2) OF THIS SECTION; AND

3 (d) EXPANDED ACCESS TO TREATMENT FOSTER CARE, AS DEFINED  
4 IN SECTION 26-6-903.

5 (2) NO LATER THAN OCTOBER 1, 2024, THE BHA SHALL  
6 PROMULGATE RULES IN COLLABORATION WITH THE STATE DEPARTMENT  
7 AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE  
8 ADMINISTRATION AND IMPLEMENTATION OF THE SYSTEM OF CARE FOR  
9 CHILDREN AND YOUTH. AT A MINIMUM, THE RULES MUST ADDRESS:

10 (a) THE POPULATIONS ELIGIBLE FOR THE SYSTEM OF CARE  
11 COMPONENTS;

12 (b) MECHANISMS FOR DETERMINING ELIGIBILITY FOR  
13 PARTICIPATING IN THE SYSTEM OF CARE; AND

14 (c) REQUIREMENTS FOR RESIDENTIAL TREATMENT PROVIDERS TO  
15 OBTAIN CULTURAL COMPETENCY RELATED TO THE PROVISION OF SERVICES  
16 UNDER A SYSTEM OF CARE.

17 (3) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(1), BEGINNING  
18 JANUARY 2025, AND EACH JANUARY THEREAFTER, THE STATE  
19 DEPARTMENT SHALL REPORT PROGRESS ON THE DEVELOPMENT AND  
20 IMPLEMENTATION OF THE SYSTEM OF CARE DEVELOPED PURSUANT TO THIS  
21 SECTION TO THE HOUSE OF REPRESENTATIVES HEALTH AND HUMAN  
22 SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN SERVICES  
23 COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, DURING THE HEARINGS  
24 HELD PURSUANT TO THE "SMART ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

25 **SECTION 5. Appropriation.** (1) For the 2024-25 state fiscal  
26 year, \$12,689,936 is appropriated to the department of human services for  
27 use by the office of children, youth and families. This appropriation is

1 from the general fund. To implement this act, the office may use this  
2 appropriation as follows:

3 (a) \$3,418,262 for child welfare services;

4 (b) \$8,304,424 for high acuity treatment and services, which  
5 amount is based on an assumption that the division will require an  
6 additional 8.3 FTE; and

7 (c) \$967,250 for purchase of contract placements.

8 (2) For the 2024-25 state fiscal year, \$1,199,390 is appropriated  
9 to the department of human services for use by the office of children,  
10 youth and families. This appropriation is from local funds and is subject  
11 to the "(I)" notation as defined in the annual general appropriation act for  
12 the same fiscal year. To implement this act, the office may use this  
13 appropriation for child welfare services.

14 (3) For the 2024-25 state fiscal year, the general assembly  
15 anticipates that the department of human services will receive \$6,233,040  
16 in federal funds to implement this act. This figure is subject to the "(I)"  
17 notation as defined in the annual general appropriation act for the same  
18 fiscal year. The appropriation in subsection (1) of this section is based on  
19 the assumption that the department will receive this amount of federal  
20 funds to be used as follows:

21 (a) \$1,379,298 for child welfare services;

22 (b) \$84,888 for high acuity treatment and services; and

23 (c) \$4,768,854 for use by the behavioral health administration for  
24 room and board for youth residential treatment.

25 (4) For the 2024-25 state fiscal year, \$156,336 is appropriated to  
26 the department of health care policy and financing for use by the  
27 executive director's office. This appropriation is from the general fund.

1 To implement this act, the office may use this appropriation as follows:

2 (a) \$51,175 for use by the general administration division for  
3 personal services, which amount is based on an assumption that the office  
4 will require an additional 0.9 FTE;

5 (b) \$3,911 for use by the general administration division for  
6 operating expenses; and

7 (c) \$101,250 for general professional services and special  
8 projects.

9 (5) For the 2024-25 state fiscal year, the general assembly  
10 anticipates that the department of health care policy and financing will  
11 receive \$156,336 in federal funds to implement this act, which amount is  
12 subject to the "(I)" notation as defined in the annual general appropriation  
13 act for the same fiscal year. The appropriation in subsection (4) of this  
14 section is based on the assumption that the department will receive this  
15 amount of federal funds to be used as follows:

16 (a) \$51,175 for use by the general administration division for  
17 personal services;

18 (b) \$3,911 for use by the general administration division for  
19 operating expenses; and

20 (c) \$101,250 for general professional services and special  
21 projects.

22 (6) For the 2024-25 state fiscal year, \$2,480,052 is appropriated  
23 to the department of health care policy and financing. This appropriation  
24 is from the general fund, and is subject to the "(M)" notation as defined  
25 in the annual general appropriation act for the same fiscal year. To  
26 implement this act, the office may use this appropriation as follows:

27 (a) \$675,000 for medical and long-term care services for medicaid

1 eligible individuals;  
2 (b) \$1,250,000 for behavioral health capitation payments; and  
3 (c) \$555,052 for children's habilitation residential program.  
4 (7) For the 2024-25 state fiscal year, the general assembly  
5 anticipates that the department of health care policy and financing will  
6 receive \$2,480,052 in federal funds to implement this act. The  
7 appropriation in subsection (6) of this section is based on the assumption  
8 that the department will receive this amount of federal funds to be used  
9 as follows:  
10 (a) \$675,000 for medical and long-term care services for medicaid  
11 eligible individuals;  
12 (b) \$1,250,000 for behavioral health capitation payments; and  
13 (c) \$555,052 for children's habilitation residential program. \_\_\_\_\_

14 **SECTION 6. Safety clause.** The general assembly finds,  
15 determines, and declares that this act is necessary for the immediate  
16 preservation of the public peace, health, or safety or for appropriations for  
17 the support and maintenance of the departments of the state and state  
18 institutions.