

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 11-0961.01 Debbie Haskins

SENATE BILL 11-219

SENATE SPONSORSHIP

Hodge, Steadman, Lambert

HOUSE SPONSORSHIP

(None),

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MONEYS APPROPRIATED IN THE 2011-12 FISCAL YEAR**
102 **FOR HEALTH CLINICS, AND MAKING AN APPROPRIATION**
103 **THEREFOR.**

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://www.leg.state.co.us/billsummaries>.)

For the 2011-12 fiscal year, the bill authorizes a transfer of \$10,755,000 from the tobacco tax revenues credited to the primary care fund to the Colorado health care services fund.

For the 2011-12 fiscal year, the bill authorizes an appropriation of

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

SENATE
Amended 2nd Reading
April 8, 2011

\$15,775,670 from the tobacco tax revenues credited to the primary care fund for health-related purposes.

The bill directs the department of health care policy and financing to develop a distribution formula to allocate the moneys in the Colorado health care services fund to Denver health and hospitals and to community health clinics.

The bill also transfers \$1,722,330 from the primary care fund to the primary care special distribution fund. The bill directs the department of health care policy and financing to develop a distribution formula to allocate the moneys in the primary care special distribution fund between providers that participate in the Colorado indigent care program and providers that do not participate.

In accordance with the provisions of section 21 (7) of article X of the state constitution concerning transfers from the tobacco tax cash fund, the bill is contingent upon the passage of Senate Joint Resolution 11-009, which declares a state fiscal emergency for the 2011-12 fiscal year.

The bill makes adjustments to the 2011 general appropriation act to implement the bill. The bill makes appropriations to implement the bill.

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

2 **SECTION 1.** 24-22-117 (2) (b), Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

4 **24-22-117. Tobacco tax cash fund - accounts - creation -**
5 **legislative declaration - repeal.** (2) There are hereby created in the state
6 treasury the following funds:

7 (b) (V) (A) NOTWITHSTANDING THE PROVISIONS OF
8 SUBPARAGRAPH (II) OF THIS PARAGRAPH (b), AND PURSUANT TO THE
9 DECLARATION OF A STATE FISCAL EMERGENCY AS DESCRIBED IN
10 PARAGRAPH (d) OF SUBSECTION (6) OF THIS SECTION, FOR THE 2011-12
11 FISCAL YEAR, TEN MILLION SEVEN HUNDRED FIFTY-FIVE THOUSAND
12 DOLLARS OF THE MONEYS IN THE PRIMARY CARE FUND SHALL BE
13 TRANSFERRED TO THE COLORADO HEALTH CARE SERVICES FUND CREATED
14 PURSUANT TO SECTION 25.5-3-112 (1) (a), C.R.S., AND UP TO FIFTEEN

1 MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND SIX HUNDRED
2 SEVENTY DOLLARS MAY BE APPROPRIATED FOR ANY HEALTH-RELATED
3 PURPOSE AND TO SERVE POPULATIONS ENROLLED IN THE CHILDREN'S BASIC
4 HEALTH PLAN AND THE COLORADO MEDICAL ASSISTANCE PROGRAM AT
5 THE PROGRAMS' RESPECTIVE LEVELS OF ENROLLMENT AS OF JANUARY 1,
6 2005. ADDITIONALLY, FOR THE 2011-12 FISCAL YEAR, ONE MILLION
7 SEVEN HUNDRED TWENTY-TWO THOUSAND THREE HUNDRED THIRTY
8 DOLLARS SHALL BE TRANSFERRED FROM THE PRIMARY CARE FUND TO THE
9 PRIMARY CARE SPECIAL DISTRIBUTION FUND, CREATED IN SECTION
10 25.5-3-112 (4) (a), C.R.S.

11 (B) THIS SUBPARAGRAPH (V) IS REPEALED, EFFECTIVE JULY 1,
12 2013.

13 **SECTION 2.** 24-22-117 (6), Colorado Revised Statutes, is
14 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

15 **24-22-117. Tobacco tax cash fund - accounts - creation -**
16 **legislative declaration - repeal.** (6) (d) (I) THE GENERAL ASSEMBLY,
17 PURSUANT TO SECTION 21 (7) OF ARTICLE X OF THE STATE CONSTITUTION
18 AND SENATE JOINT RESOLUTION 11-009, WHICH WAS APPROVED BY A
19 TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF THE GENERAL
20 ASSEMBLY AND SIGNED BY THE GOVERNOR, DECLARES A STATE FISCAL
21 EMERGENCY FOR THE 2011-12 FISCAL YEAR.

22 (II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE JULY 1, 2013.

23 **SECTION 3.** **25.5-3-112 (1), Colorado Revised Statutes, is**
24 **amended BY THE ADDITION OF A NEW PARAGRAPH to read:**

25 **25.5-3-112. Health care services fund - creation - state plan**
26 **amendment - primary care special distribution fund - repeal.**

27 **(1) (b.6) IN FISCAL YEAR 2011-12, THE TREASURER SHALL TRANSFER ONE**

1 MILLION EIGHT HUNDRED THIRTEEN THOUSAND FIVE HUNDRED DOLLARS
2 FROM THE GENERAL FUND TO THE FUND.

3 **SECTION 4.** 25.5-3-112, Colorado Revised Statutes, is amended
4 BY THE ADDITION OF A NEW SUBSECTION to read:

5 **25.5-3-112. Health care services fund - creation - state plan**
6 **amendment - primary care special distribution fund - repeal.**

7 (2.8) IN 2011-12 FISCAL YEAR, NOTWITHSTANDING THE REQUIREMENTS
8 OF SECTION 25.5-3-108 (8) (b), THE MONEYS DEPOSITED INTO THE FUND
9 SHALL BE APPROPRIATED TO THE STATE DEPARTMENT FOR DISTRIBUTION
10 TO DENVER HEALTH AND HOSPITALS, AS THE COMMUNITY HEALTH CLINIC
11 FOR THE CITY AND COUNTY OF DENVER, TO COMMUNITY HEALTH
12 CLINICS, AND FEDERALLY QUALIFIED HEALTH CENTERS. THE STATE
13 DEPARTMENT SHALL DEVELOP A DISTRIBUTION FORMULA SPECIFYING THE
14 DISTRIBUTIONS BASED UPON PRIOR UTILIZATIONS AND, TO THE EXTENT
15 POSSIBLE, MITIGATION OF THE REDUCTIONS IN FUNDING THAT THE CLINICS
16 EXPERIENCE DUE TO REDUCTIONS IN MONEYS AVAILABLE FROM THE
17 PRIMARY CARE FUND ESTABLISHED PURSUANT TO SECTION 24-22-117 (2)
18 (b), C.R.S.

19 **SECTION 5.** 25.5-3-112 (4), Colorado Revised Statutes, is
20 amended to read:

21 **25.5-3-112. Health care services fund - creation - state plan**
22 **amendment - primary care special distribution fund - repeal.**

23 (4) (a) Due to reductions in moneys available from the primary care fund
24 established pursuant to section 24-22-117 (2) (b), C.R.S., certain clinics
25 will experience greater reductions in funding than other clinics. In an
26 effort to minimize the adverse effects on these clinics, the primary care
27 special distribution fund is hereby created in the state treasury and

1 referred to in this subsection (4) as the "special distribution fund". The
2 special distribution fund shall consist of moneys appropriated to the
3 special distribution fund pursuant to section 24-22-117 (2) (b) (III) (A),
4 ~~and~~ (2) (b) (IV) (A), AND (2) (b) (V) (A), C.R.S. Moneys in the special
5 distribution fund are subject to annual appropriation by the general
6 assembly to the state department for distribution pursuant to paragraphs
7 (b), ~~and~~ (c), AND (c.5) of this subsection (4). Any moneys in the special
8 distribution fund not expended for the purpose of this subsection (4) may
9 be invested by the state treasurer as provided by law. All interest and
10 income derived from the investment and deposit of moneys in the special
11 distribution fund shall be credited to the special distribution fund. Any
12 unexpended and unencumbered moneys remaining in the special
13 distribution fund at the end of a fiscal year shall be credited to the general
14 fund.

15 (b) (I) Of the moneys appropriated to the special distribution fund,
16 the state department shall distribute the following amounts to health
17 clinics that qualify for payments from the primary care fund but do not
18 participate in the Colorado indigent care program established pursuant to
19 this part 1:

20 (A) For the 2009-10 fiscal year, one million six hundred thousand
21 dollars; and

22 (B) For the 2010-11 fiscal year, three million dollars.

23 (II) The state department shall develop a distribution formula that
24 equalizes, to the extent possible, the reductions experienced by the clinics
25 that meet the requirements of this paragraph (b).

26 (c) (I) Of the moneys appropriated to the special distribution fund,
27 the state department shall distribute the following amounts to health

1 clinics that participate in the Colorado indigent care program established
2 pursuant to this part 1 and that experience reductions in funding due to
3 transfers from the primary care fund pursuant to House Bill 10-1321,
4 enacted in 2010, and House Bill 10-1378, enacted in 2010, which
5 reductions are not offset by increased appropriations pursuant to
6 paragraph (b) of subsection (2.5) of this section:

7 (A) For the 2009-10 fiscal year, four hundred five thousand
8 dollars; and

9 (B) For the 2010-11 fiscal year, five hundred sixty thousand
10 dollars.

11 (II) The state department shall develop a distribution formula that
12 equalizes, to the extent possible, the reductions experienced by the clinics
13 that meet the requirements of this paragraph (c).

14 (c.5) FOR THE 2011-12 FISCAL YEAR, OF THE MONEYS
15 APPROPRIATED TO THE SPECIAL DISTRIBUTION FUND IN THE 2011-12
16 FISCAL YEAR, THE STATE DEPARTMENT SHALL DISTRIBUTE ONE MILLION
17 SEVEN HUNDRED TWENTY-TWO THOUSAND THREE HUNDRED THIRTY
18 DOLLARS TO HEALTH CLINICS THAT QUALIFY FOR PAYMENTS FROM THE
19 PRIMARY CARE FUND BUT DO NOT PARTICIPATE IN THE COLORADO
20 INDIGENT CARE PROGRAM ESTABLISHED PURSUANT TO THIS PART 1 AND TO
21 HEALTH CLINICS THAT PARTICIPATE IN THE COLORADO INDIGENT CARE
22 PROGRAM ESTABLISHED PURSUANT TO THIS PART 1 AND THAT EXPERIENCE
23 REDUCTIONS IN FUNDING DUE TO TRANSFERS FROM THE PRIMARY CARE
24 FUND PURSUANT TO SENATE BILL 11-219, ENACTED IN 2011, WHICH
25 REDUCTIONS ARE NOT OFFSET BY INCREASED APPROPRIATIONS PURSUANT
26 TO SUBSECTION (2.8) OF THIS SECTION. THE STATE DEPARTMENT SHALL
27 DEVELOP A DISTRIBUTION FORMULA OF SUCH MONEYS THAT MINIMIZES

1 THE ADVERSE EFFECTS TO CLINICS CAUSED BY THE REDUCTION IN MONEYS
2 AVAILABLE FROM THE PRIMARY CARE FUND ESTABLISHED PURSUANT TO
3 SECTION 24-22-117 (2) (b), C.R.S.

4 (d) This subsection (4) is repealed, effective July 1, 2012.

5 **SECTION 6. Appropriation - adjustments in 2011 long bill.**

6 For the implementation of this act, appropriations made in the annual
7 general appropriation act, to the department of health care policy and
8 financing, for the fiscal year beginning July 1, 2011, shall be adjusted as
9 follows:

10 (1) The cash funds appropriation for medical services premiums
11 is increased by fifteen million seven hundred seventy-five thousand six
12 hundred seventy dollars (\$15,775,670). Said sum shall be from the
13 primary care fund created in section 24-22-117 (2) (b) (I), Colorado
14 Revised Statutes.

15 (2) The general fund appropriation for medical services premiums
16 is decreased by fifteen million seven hundred seventy-five thousand six
17 hundred seventy dollars (\$15,775,670).

18 (3) The cash funds appropriation to the primary care fund program
19 is decreased by twenty-eight million two hundred fifty-three thousand
20 dollars (\$28,253,000). Said sum shall be from the primary care fund
21 created in section 24-22-117 (2) (b) (I), Colorado Revised Statutes.

22 **SECTION 7. Appropriation.** In addition to any other
23 appropriation, there is hereby appropriated, for the implementation of this
24 act, to the department of health care policy and financing, for the fiscal
25 year beginning July 1, 2011, the following or so much thereof as may be
26 necessary:

27 (1) Twenty-five million one hundred thirty-seven thousand dollars

1 (\$25,137,000) for allocation to the health care services fund for
2 community primary care providers pursuant to section 25.5-3-112 (2.8),
3 Colorado Revised Statutes. Of said sum, twelve million five hundred
4 sixty-eight thousand five hundred dollars (\$12,568,500) shall be cash
5 funds from the Colorado health care services fund created in section
6 25.5-3-112 (1), Colorado Revised Statutes, and twelve million five
7 hundred sixty-eight thousand five hundred dollars (\$12,568,500) shall be
8 from federal funds.

9 (2) One million seven hundred twenty-two thousand three hundred
10 thirty dollars (\$1,722,330) from the primary care special distribution fund
11 created in section 25.5-1-112 (4) (a), Colorado Revised Statutes, for
12 allocation to primary care providers pursuant to section 25.5-3-112 (4)
13 (c.5), Colorado Revised Statutes.

14 **SECTION 8. Effective date.** This act shall take effect only if
15 Senate Joint Resolution 11-009 is approved by a two-thirds majority vote
16 of the members of both houses of the general assembly and is signed by
17 the governor. This act shall take effect either upon passage or upon the
18 date Senate Joint Resolution 11-009 is signed by the governor, whichever
19 is later.

20 **SECTION 9. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.