

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

REVISED

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

LLS NO. 11-0961.01 Debbie Haskins

SENATE BILL 11-219

SENATE SPONSORSHIP

Hodge, Steadman, Lambert

HOUSE SPONSORSHIP

Ferrandino, Becker, Gerou

Senate Committees
Appropriations

House Committees
Appropriations

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.*

HOUSE
Am ended 2nd Reading
April 13, 2011

SENATE
3rd Reading Unamended
April 11, 2011

SENATE
Am ended 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

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

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

1 (2.8) IN 2011-12 FISCAL YEAR, NOTWITHSTANDING THE REQUIREMENTS
2 OF SECTION 25.5-3-108 (8) (b), THE MONEYS DEPOSITED INTO THE FUND
3 SHALL BE APPROPRIATED TO THE STATE DEPARTMENT FOR DISTRIBUTION
4 TO DENVER HEALTH AND HOSPITALS, AS THE COMMUNITY HEALTH CLINIC
5 FOR THE CITY AND COUNTY OF DENVER, _____ TO COMMUNITY HEALTH
6 CLINICS, AND FEDERALLY QUALIFIED HEALTH CENTERS. THE STATE
7 DEPARTMENT SHALL DEVELOP A DISTRIBUTION FORMULA SPECIFYING THE
8 DISTRIBUTIONS BASED UPON PRIOR UTILIZATIONS AND, TO THE EXTENT
9 POSSIBLE, MITIGATION OF THE REDUCTIONS IN FUNDING THAT THE CLINICS
10 EXPERIENCE DUE TO REDUCTIONS IN MONEYS AVAILABLE FROM THE
11 PRIMARY CARE FUND ESTABLISHED PURSUANT TO SECTION 24-22-117 (2)
12 (b), C.R.S.

13 **SECTION 4.** 25.5-3-112 (4), Colorado Revised Statutes, is
14 amended to read:

15 **25.5-3-112. Health care services fund - creation - state plan**
16 **amendment - primary care special distribution fund - repeal.**

17 (4) (a) Due to reductions in moneys available from the primary care fund
18 established pursuant to section 24-22-117 (2) (b), C.R.S., certain clinics
19 will experience greater reductions in funding than other clinics. In an
20 effort to minimize the adverse effects on these clinics, the primary care
21 special distribution fund is hereby created in the state treasury and
22 referred to in this subsection (4) as the "special distribution fund". The
23 special distribution fund shall consist of moneys appropriated to the
24 special distribution fund pursuant to section 24-22-117 (2) (b) (III) (A),
25 ~~and~~ (2) (b) (IV) (A), AND (2) (b) (V) (A), C.R.S. Moneys in the special
26 distribution fund are subject to annual appropriation by the general
27 assembly to the state department for distribution pursuant to paragraphs

1 (b), ~~and~~ (c), AND (c.5) of this subsection (4). Any moneys in the special
2 distribution fund not expended for the purpose of this subsection (4) may
3 be invested by the state treasurer as provided by law. All interest and
4 income derived from the investment and deposit of moneys in the special
5 distribution fund shall be credited to the special distribution fund. Any
6 unexpended and unencumbered moneys remaining in the special
7 distribution fund at the end of a fiscal year shall be credited to the general
8 fund.

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

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

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

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

20 (c) (I) Of the moneys appropriated to the special distribution fund,
21 the state department shall distribute the following amounts to health
22 clinics that participate in the Colorado indigent care program established
23 pursuant to this part 1 and that experience reductions in funding due to
24 transfers from the primary care fund pursuant to House Bill 10-1321,
25 enacted in 2010, and House Bill 10-1378, enacted in 2010, which
26 reductions are not offset by increased appropriations pursuant to
27 paragraph (b) of subsection (2.5) of this section:

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

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

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

8 (c.5) FOR THE 2011-12 FISCAL YEAR, OF THE MONEYS
9 APPROPRIATED TO THE SPECIAL DISTRIBUTION FUND IN THE 2011-12
10 FISCAL YEAR, THE STATE DEPARTMENT SHALL DISTRIBUTE ONE MILLION
11 SEVEN HUNDRED TWENTY-TWO THOUSAND THREE HUNDRED THIRTY
12 DOLLARS TO HEALTH CLINICS THAT QUALIFY FOR PAYMENTS FROM THE
13 PRIMARY CARE FUND BUT DO NOT PARTICIPATE IN THE COLORADO
14 INDIGENT CARE PROGRAM ESTABLISHED PURSUANT TO THIS PART 1 AND TO
15 HEALTH CLINICS THAT PARTICIPATE IN THE COLORADO INDIGENT CARE
16 PROGRAM ESTABLISHED PURSUANT TO THIS PART 1 AND THAT EXPERIENCE
17 REDUCTIONS IN FUNDING DUE TO TRANSFERS FROM THE PRIMARY CARE
18 FUND PURSUANT TO SENATE BILL 11-219, ENACTED IN 2011, WHICH
19 REDUCTIONS ARE NOT OFFSET BY INCREASED APPROPRIATIONS PURSUANT
20 TO SUBSECTION (2.8) OF THIS SECTION. THE STATE DEPARTMENT SHALL
21 DEVELOP A DISTRIBUTION FORMULA OF SUCH MONEYS THAT MINIMIZES
22 THE ADVERSE EFFECTS TO CLINICS CAUSED BY THE REDUCTION IN MONEYS
23 AVAILABLE FROM THE PRIMARY CARE FUND ESTABLISHED PURSUANT TO
24 SECTION 24-22-117 (2) (b), C.R.S.

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

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

27 For the implementation of this act, appropriations made in the annual

1 general appropriation act, to the department of health care policy and
2 financing, for the fiscal year beginning July 1, 2011, shall be adjusted as
3 follows:

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

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

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

16 **SECTION 6. Appropriation.** _____ In addition to any other
17 appropriation, there is hereby appropriated, for the implementation of this
18 act, to the department of health care policy and financing, for the fiscal
19 year beginning July 1, 2011, the following or so much thereof as may be
20 necessary:

21 (1) Twenty-one million five hundred ten thousand dollars
22 (\$21,510,000) for allocation to the health care services fund for
23 community primary care providers pursuant to section 25.5-3-112 (2.8),
24 Colorado Revised Statutes. Of said sum, ten million seven hundred
25 fifty-five thousand dollars (\$10,755,000) shall be cash funds from the
26 Colorado health care services fund created in section 25.5-3-112 (1),
27 Colorado Revised Statutes, and ten million seven hundred fifty-five

1 thousand dollars (\$10,755,000) shall be from federal funds.

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

7 **SECTION 7. Effective date.** This act shall take effect only if
8 Senate Joint Resolution 11-009 is approved by a two-thirds majority vote
9 of the members of both houses of the general assembly and is signed by
10 the governor. This act shall take effect either upon passage or upon the
11 date Senate Joint Resolution 11-009 is signed by the governor, whichever
12 is later.

13 **SECTION 8. Safety clause.** The general assembly hereby finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, and safety.