

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 02-0556.01 Julie Hoerner

HOUSE BILL 02-1323

HOUSE SPONSORSHIP

Berry

SENATE SPONSORSHIP

Windels

House Committees

Health, Environment, Welfare, & Institutions
Appropriations

Senate Committees

Health, Environment, Children & Families
Appropriations

A BILL FOR AN ACT

101 **CONCERNING ASSISTED LIVING RESIDENCES, AND MAKING AN**
102 **APPROPRIATION IN CONNECTION THEREWITH.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Replaces the phrase "personal care boarding home" with "assisted living residence" to refer to facilities regulated by the department of public health and environment (department). Includes life care facilities within the definition of an "assisted living residence". Clarifies the definition of "protective oversight". Allows the department to create intermediate restrictions or conditions when disciplining an assisted living residence. Requires that an assisted living residence submit to the department a written plan of action for measures to respond to violations

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
3rd Reading Unamended
April 8, 2002

HOUSE
Amended 2nd Reading
April 5, 2002

found during an inspection. Allows the department to require criminal background investigations that are automatically updated by the Colorado bureau of investigation upon original application or the first renewal after July 1, 2002. Allows the department to impose monetary fines of not more than \$2,000. Directs the proceeds of such fines to the assisted living residence improvement cash fund. Specifies the permissible uses of moneys from such civil penalties. Allows for informal dispute resolution concerning fines.

Increases application fees for assisted living residences. Creates additional fees for new licenses, changes of ownership of a residence, and residences that provide services in a secure environment. Also creates fees for licensees who expand the number of beds in a residence or who undergo substantial remodeling or new construction of a residence. Phases in new fees over 2 years. Creates reduced fees for high medicaid utilization residences. Allows the board of health to promulgate by rule a definition of a residence that has a high medicaid utilization.

Repeals obsolete reporting provisions. Requires the existing advisory committee to study risk-based inspections of assisted living residences. Requires the advisory committee to report to the general assembly and the joint budget committee by February 15, 2003.

Makes conforming amendments.

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

2 **SECTION 1.** 25-27-101, Colorado Revised Statutes, is amended
3 to read:

4 **25-27-101. Legislative declaration.** (1) In order to promote the
5 public health and welfare of the people of Colorado, it is declared to be
6 in the public interest to establish minimum standards AND rules ~~and~~
7 ~~regulations~~ for ~~personal care boarding homes~~ ASSISTED LIVING
8 RESIDENCES in the state of Colorado and to provide the authority for the
9 administration and enforcement of such minimum standards AND rules.
10 ~~and regulations~~. These standards AND rules ~~and regulations~~ shall be
11 sufficient to assure the health, safety, and welfare of ~~personal care~~
12 ~~boarding home~~ ASSISTED LIVING residents.

13 (2) THE GENERAL ASSEMBLY FURTHER FINDS THAT THE

1 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AS THE EXECUTIVE
2 BRANCH AGENCY ASSIGNED TO ADMINISTER AND ENFORCE MINIMUM
3 STANDARDS FOR ASSISTED LIVING RESIDENCES, IS IN A POSITION TO
4 PROVIDE TECHNICAL ASSISTANCE, EDUCATIONAL MATERIALS, AND
5 TRAINING INFORMATION TO RESIDENCES. THE GENERAL ASSEMBLY
6 DETERMINES THAT A PROACTIVE APPROACH BY THE DEPARTMENT, ACTING
7 AS A MENTOR AND EDUCATOR FOR RESIDENCES, WILL ENHANCE THE
8 QUALITY OF CARE OF RESIDENTS OF ASSISTED LIVING RESIDENCES.
9 ADDITIONALLY, THE GENERAL ASSEMBLY FINDS THAT THE DEPARTMENT
10 SHOULD EXPLORE WHETHER RISK-BASED INSPECTIONS MAY BE
11 IMPLEMENTED TO ALLOCATE RESOURCES MORE EFFECTIVELY AND AT THE
12 SAME TIME ADEQUATELY PROTECT THE HEALTH AND SAFETY OF THE
13 RESIDENTS.

14 (3) FURTHER, THE GENERAL ASSEMBLY DETERMINES AND
15 DECLARES THAT, IN ADMINISTERING AND ENFORCING STANDARDS FOR
16 ASSISTED LIVING RESIDENCES, THE DEPARTMENT OF PUBLIC HEALTH AND
17 ENVIRONMENT SHOULD FOCUS ON THE OUTCOME RELATED TO MEASURES
18 AND TREATMENT OF RESIDENTS.

19 **SECTION 2.** 25-27-102 (8), (9), and (10), Colorado Revised
20 Statutes, are amended, and the said 25-27-102 is further amended BY
21 THE ADDITION OF A NEW SUBSECTION, to read:

22 **25-27-102. Definitions.** As used in this article, unless the context
23 otherwise requires:

24 (1.3) "ASSISTED LIVING RESIDENCE" OR "RESIDENCE" MEANS A
25 RESIDENTIAL FACILITY THAT MAKES AVAILABLE TO THREE OR MORE
26 ADULTS NOT RELATED TO THE OWNER OF SUCH FACILITY, EITHER DIRECTLY
27 OR INDIRECTLY THROUGH A WRITTEN AGREEMENT WITH THE RESIDENT,

1 ROOM AND BOARD AND AT LEAST THE FOLLOWING SERVICES: PERSONAL
2 SERVICES; PROTECTIVE OVERSIGHT; AND SOCIAL CARE DUE TO IMPAIRED
3 CAPACITY TO LIVE INDEPENDENTLY WITH REGULAR SUPERVISION BEING
4 AVAILABLE ON A TWENTY-FOUR HOUR BASIS, BUT NOT TO THE EXTENT
5 THAT REGULAR TWENTY-FOUR-HOUR MEDICAL OR NURSING CARE IS
6 REQUIRED. THE TERM "ASSISTED LIVING RESIDENCE" DOES NOT INCLUDE
7 ANY FACILITY LICENSED IN THIS STATE AS A RESIDENTIAL CARE FACILITY
8 FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES, OR ANY
9 INDIVIDUAL RESIDENTIAL SUPPORT SERVICES THAT ARE EXCLUDED FROM
10 LICENSURE REQUIREMENTS PURSUANT TO RULES ADOPTED BY THE
11 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

12 (8) ~~"Personal care boarding home" or "home" means a residential~~
13 ~~facility that makes available to three or more adults not related to the~~
14 ~~owner of such facility, either directly or indirectly through a provider~~
15 ~~agreement, room and board and personal services, protective oversight,~~
16 ~~and social care due to impaired capacity to live independently, but not to~~
17 ~~the extent that regular twenty-four-hour medical or nursing care is~~
18 ~~required. The term "personal care boarding home" does not include a~~
19 ~~facility holding a current certificate of authority to operate as a life care~~
20 ~~facility issued pursuant to article 13 of title 12, C.R.S., any facility~~
21 ~~licensed in this state as a residential care facility for individuals with~~
22 ~~developmental disabilities, or any individual residential support services~~
23 ~~which are excluded from licensure requirements pursuant to regulations~~
24 ~~adopted by the department of public health and environment.~~

25 (9) "Personal services" means those services ~~which~~ THAT the
26 operator and employees of a ~~personal care boarding home~~ AN ASSISTED
27 LIVING RESIDENCE provide for each resident, including, but not limited to:

- 1 (a) An environment ~~which~~ THAT is sanitary and safe from physical
2 harm;
- 3 (b) Individualized social supervision;
- 4 (c) Assistance with transportation; and
- 5 (d) Assistance with activities of daily living, including but not
6 limited to bathing, dressing, and eating.

7 (10) "Protective oversight" means guidance of a resident as
8 required by the needs of the resident or as reasonably requested by the
9 resident, including the following:

10 (a) Being aware of a resident's general whereabouts, although the
11 resident may travel independently in the community; AND

12 (b) Monitoring the activities of the resident while on the premises
13 to ensure ~~his~~ THE RESIDENT'S health, safety, and well-being, including
14 monitoring of ~~prescribed medications; reminding the resident to carry out~~
15 ~~daily living activities; and reminding the resident of any important~~
16 ~~activities, including appointments~~ THE RESIDENT'S NEEDS AND ENSURING
17 THAT THE RESIDENT RECEIVES THE SERVICES AND CARE NECESSARY TO
18 PROTECT THE RESIDENT'S HEALTH, SAFETY, AND WELL-BEING.

19 **SECTION 3.** The introductory portion to 25-27-103 (1) and
20 25-27-103 (1) (b), Colorado Revised Statutes, are amended to read:

21 **25-27-103. License required - criminal and civil penalties.**

22 (1) On or after July 1, ~~1986~~ 2002, it is unlawful for any person,
23 partnership, association, or corporation to conduct or maintain a ~~personal~~
24 ~~care boarding home~~ AN ASSISTED LIVING RESIDENCE without having
25 obtained a license therefor from the department of public health and
26 environment. Any person who violates this provision:

27 (b) May be subject to a civil penalty assessed by the department

1 of not less than fifty dollars nor more than one hundred dollars for each
2 day the ~~facility~~ RESIDENCE violates this section. The assessed penalty
3 shall accrue from the date the ~~facility~~ RESIDENCE is found by the
4 department to be in violation of this section. The assessment,
5 enforcement, and collection of the penalty shall be by the department in
6 accordance with article 4 of title 24, C.R.S., for credit to the ~~personal care~~
7 ~~boarding home~~ ASSISTED LIVING RESIDENCE cash fund created pursuant
8 to section 25-27-107.5. Enforcement and collection of the penalty shall
9 occur following the decision reached in accordance with procedures set
10 forth in section 24-4-105, C.R.S.

11 **SECTION 4.** 25-27-104 (1), the introductory portion to
12 25-27-104 (2), and 25-27-104 (2) (a), (2) (b), (2) (f), and (2) (g),
13 Colorado Revised Statutes, are amended, and the said 25-27-104 (2) is
14 further amended BY THE ADDITION OF THE FOLLOWING NEW
15 PARAGRAPHS, to read:

16 **25-27-104. Minimum standards for assisted living residences**
17 **- rules.** (1) On or before November 1, ~~1985~~ 2002, the state board shall
18 promulgate ~~regulations~~ RULES pursuant to section 24-4-103, C.R.S.,
19 providing minimum standards for the location, sanitation, fire safety,
20 adequacy of facilities, adequacy of diet and nutrition, equipment,
21 structure, operation, provision of personal services and protective
22 oversight, and personnel practices of ~~personal care boarding homes~~
23 ASSISTED LIVING RESIDENCES within the state of Colorado. Such
24 ~~regulations~~ RULES shall differentiate between homes of different sizes.
25 In formulating such ~~regulations~~ RULES, the state board shall seek
26 recommendations from the advisory committee established pursuant to
27 section 25-27-110.

1 (2) ~~Regulations~~ RULES promulgated by the state board pursuant
2 to subsection (1) of this section shall include, as a minimum, provisions
3 requiring the following:

4 (a) Compliance with all applicable zoning, housing, fire, sanitary,
5 and other codes and ordinances of the city, city and county, or county
6 where the ~~home~~ RESIDENCE is situated, to the extent that such codes and
7 ordinances are consistent with the federal "Fair Housing Amendment Act
8 of 1988", as amended, 42 U.S.C. sec. 3601 et seq.;

9 (b) Annual inspection of ~~personal care boarding homes~~ ASSISTED
10 LIVING RESIDENCES by the department or its designated representative;

11 (f) Responsibility of the ~~personal care boarding homes~~ ASSISTED
12 LIVING RESIDENCES for social supervision, personal services, and
13 coordination with community resources as needed by the residents; ~~and~~

14 (g) That the administrator and staff of a ~~home~~ RESIDENCE meet
15 minimum educational, training, and experience standards established by
16 the state board, including a requirement that such persons be of good,
17 moral, and responsible character. In making such a determination, the
18 owner or licensee of a ~~home~~ RESIDENCE may have access to and shall
19 obtain any criminal history record information from a criminal justice
20 agency, subject to any restrictions imposed by such agency, for any
21 person responsible for the care and welfare of residents of such ~~facility~~
22 RESIDENCE.

23 (h) INTERMEDIATE ENFORCEMENT REMEDIES AS AUTHORIZED BY
24 SECTION 25-27-106 (2); ██████████

25 (i) WRITTEN PLANS, TO BE SUBMITTED BY RESIDENCES TO THE
26 DEPARTMENT FOR APPROVAL, DETAILING THE MEASURES THAT WILL BE
27 TAKEN TO CORRECT VIOLATIONS FOUND AS A RESULT OF ~~INSPECTIONS; AND~~

1 (j) THE DEFINITION FOR HIGH MEDICAID UTILIZATION FACILITY AS
2 A BASIS FOR A MODIFIED FEE SCHEDULE. A HIGH MEDICAID UTILIZATION
3 RESIDENCE SHALL BE A RESIDENCE IN WHICH NO LESS THAN THIRTY-FIVE
4 PERCENT OF THE AVAILABLE BEDS ARE OCCUPIED BY MEDICAID ENROLLEES
5 AS INDICATED BY THE MOST COMPLETE CLAIMS DATA AVAILABLE.

6 (k) A MODIFIED FEE SCHEDULE FOR RESIDENCES THAT SERVE A
7 DISPROPORTIONATE SHARE OF LOW INCOME RESIDENCES. THE BOARD MAY
8 ADOPT A STANDARD FOR DETERMINING RESIDENCES THAT SERVE A
9 DISPROPORTIONATE SHARE OF LOW INCOME RESIDENCES. SUCH STANDARD
10 MAY REQUIRE A RESIDENCE TO SUBMIT DOCUMENTATION DETERMINED
11 APPROPRIATE BY THE DEPARTMENT FOR VERIFICATION.

12 **SECTION 5.** 25-27-105 (1), (2), (2.5) (a), (2.5) (b), (2.8), (3),
13 and (4), Colorado Revised Statutes, are amended to read:

14 **25-27-105. License - application - inspection - issuance.** (1) An
15 application for a license to operate ~~a personal care boarding home~~ AN
16 ASSISTED LIVING RESIDENCE shall be submitted to the department annually
17 upon such form and in such manner as prescribed by the department.

18 (2) The department shall investigate and pass on each original
19 application and each renewal application for a license. The department
20 shall inspect or cause to be inspected the ~~facilities~~ RESIDENCES to be
21 operated by an applicant for an original license before the license is
22 granted and shall annually thereafter inspect or cause to be inspected the
23 ~~facilities~~ RESIDENCES of all licensees. The department shall make such
24 other inspections as it deems necessary to insure that the health, safety,
25 and welfare of the residents are being protected. THE RESIDENCE SHALL
26 SUBMIT IN WRITING, IN A FORM PRESCRIBED BY THE DEPARTMENT, A PLAN
27 DETAILING THE MEASURES THAT WILL BE TAKEN TO CORRECT ANY

1 VIOLATIONS FOUND BY THE DEPARTMENT AS A RESULT OF INSPECTIONS
2 UNDERTAKEN PURSUANT TO THIS SUBSECTION (2).

3 (2.5) (a) ON JULY 1, 2002, as part of an original ~~and each renewal~~
4 application AND ON AND AFTER JULY 1, 2002, ON THE FIRST RENEWAL OF
5 AN APPLICATION FOR ASSISTED LIVING RESIDENCES LICENSED BEFORE JULY
6 1, 2002, for a license, an owner, applicant, or licensee shall request from
7 a criminal justice agency designated by the department criminal history
8 record information regarding such owner, applicant, or licensee. The
9 information, upon such request and subject to any restrictions imposed by
10 such agency, shall be forwarded by the criminal justice agency directly
11 to the department.

12 (b) The information shall be used by the department in
13 ascertaining whether the person applying for licensure has been convicted
14 of a felony or of a misdemeanor, which felony or misdemeanor involves
15 moral turpitude or involves conduct that the department determines could
16 pose a risk to the health, safety, and welfare of residents of the ~~personal~~
17 ~~care boarding home~~ ASSISTED LIVING RESIDENCE. Information obtained
18 in accordance with this section shall be maintained by the department.

19 (2.8) No license shall be issued or renewed by the department if
20 the owner, applicant, or licensee of the ~~personal care boarding home~~
21 ASSISTED LIVING RESIDENCE has been convicted of a felony or of a
22 misdemeanor, which felony or misdemeanor involves moral turpitude or
23 involves conduct ~~which~~ THAT the department determines could pose a risk
24 to the health, safety, and welfare of the residents of the ~~personal care~~
25 ~~boarding home~~ ASSISTED LIVING RESIDENCE.

26 (3) Except as otherwise provided in subsection (4) of this section,
27 the department shall issue or renew a license when it is satisfied that the

1 applicant or licensee is in compliance with the requirements set out in this
2 article and the ~~regulations~~ RULES promulgated thereunder. Except for
3 provisional licenses issued in accordance with subsection (4) of this
4 section, a license issued or renewed pursuant to this section shall expire
5 one year from the date of issuance or renewal.

6 (4) The department may issue a provisional license to an applicant
7 for the purpose of operating a ~~personal care boarding home~~ AN ASSISTED
8 LIVING RESIDENCE for a period of ninety days if the applicant is
9 temporarily unable to conform to all the minimum standards required
10 under this article; except that no license shall be issued to an applicant if
11 the operation of the applicant's ~~facility~~ RESIDENCE will adversely affect
12 the health, safety, and welfare of the residents of such ~~facility~~ RESIDENCE.
13 As a condition of obtaining a provisional license, the applicant shall show
14 proof to the department that attempts are being made to conform and
15 comply with applicable standards. No provisional license shall be
16 granted prior to the submission of a criminal background check in
17 accordance with subsection (2.5) of this section. A provisional license
18 shall not be renewed.

19 **SECTION 6.** 25-27-105.5, Colorado Revised Statutes, is
20 amended to read:

21 **25-27-105.5. Compliance with local government zoning**
22 **regulations - notice to local governments - provisional licensure.**

23 (1) The department shall require any ~~personal care boarding home~~
24 ASSISTED LIVING RESIDENCE seeking licensure pursuant to this article to
25 comply with any applicable zoning regulations of the municipality, city
26 and county, or county where the ~~home~~ RESIDENCE is situated. Failure to
27 comply with applicable zoning regulations shall constitute grounds for the

1 denial of a license to a ~~home~~ RESIDENCE; except that nothing in this
2 section shall be construed to supersede the provisions of sections
3 30-28-115 (2), 31-23-301 (4), and 31-23-303 (2), C.R.S.

4 (2) The department shall assure that timely written notice is
5 provided to the municipality, city and county, or county where a ~~personal~~
6 ~~care boarding home~~ AN ASSISTED LIVING RESIDENCE is situated, including
7 the address of the ~~home~~ RESIDENCE and the population and number of
8 persons to be served by the ~~home~~ RESIDENCE, when any of the following
9 occurs:

10 (a) An application for a license to operate a ~~personal care~~
11 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE pursuant to section
12 25-27-105 is made;

13 (b) A license is granted to a ~~personal care boarding home~~ AN
14 ASSISTED LIVING RESIDENCE pursuant to section 25-27-105;

15 (c) A change in the license of a ~~personal care boarding home~~ AN
16 ASSISTED LIVING RESIDENCE occurs; or

17 (d) The license of a ~~personal care boarding home~~ AN ASSISTED
18 LIVING RESIDENCE is revoked or otherwise terminated for any reason.

19 (3) Notwithstanding the provisions of section 25-27-105 (4), in
20 the event of a zoning or other delay or dispute between a ~~personal care~~
21 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE and the municipality, city
22 and county, or county where the ~~home~~ RESIDENCE is situated, the
23 department may grant a provisional license to the ~~home~~ RESIDENCE for up
24 to one hundred twenty days pending resolution of the delay or dispute.

25 **SECTION 7.** 25-27-106 (1) and (2), Colorado Revised Statutes,
26 are amended to read:

27 **25-27-106. License denial, suspension, or revocation.**

1 (1) When an application for an original license has been denied by the
2 department, the department shall notify the applicant in writing of such
3 denial by mailing a notice to ~~him~~ THE APPLICANT at the address shown on
4 his OR HER application. Any applicant believing himself OR HERSELF
5 aggrieved by such denial may pursue the remedy for review provided in
6 article 4 of title 24, C.R.S., if ~~he~~ THE APPLICANT, within thirty days after
7 receiving such notice, petitions the department to set a date and place for
8 hearing, affording ~~him~~ THE APPLICANT an opportunity to be heard in
9 person or by counsel. All hearings on the denial of original licenses shall
10 be conducted in conformity with the provisions and procedures specified
11 in article 4 of title 24, C.R.S.

12 (2) (a) The department may suspend, revoke, or refuse to renew
13 the license of any ~~facility which~~ RESIDENCE THAT is out of compliance
14 with the requirements of this article or the ~~regulations~~ RULES promulgated
15 thereunder. Such suspension, revocation, or refusal shall be done after
16 a hearing thereon and in conformance with the provisions and procedures
17 specified in article 4 of title 24, C.R.S.

18 (b) (I) THE DEPARTMENT MAY IMPOSE INTERMEDIATE
19 RESTRICTIONS OR CONDITIONS ON A LICENSEE THAT MAY INCLUDE AT
20 LEAST ONE OF THE FOLLOWING:

21 (A) RETAINING A CONSULTANT TO ADDRESS CORRECTIVE
22 MEASURES;

23 (B) MONITORING BY THE DEPARTMENT FOR A SPECIFIC PERIOD;

24 (C) PROVIDING ADDITIONAL TRAINING TO EMPLOYEES, OWNERS,
25 OR OPERATORS OF THE RESIDENCE;

26 (D) COMPLYING WITH A DIRECTED WRITTEN PLAN, TO CORRECT
27 THE VIOLATION; OR

1 (E) PAYING A CIVIL FINE NOT TO EXCEED TWO THOUSAND
2 DOLLARS IN A CALENDAR YEAR.

3 (II) (A) IF THE DEPARTMENT IMPOSES AN INTERMEDIATE
4 RESTRICTION OR CONDITION THAT IS NOT A RESULT OF A
5 LIFE-THREATENING SITUATION, THE LICENSEE SHALL RECEIVE WRITTEN
6 NOTICE OF THE RESTRICTION OR CONDITION. NO LATER THAN TEN DAYS
7 AFTER THE DATE THE NOTICE IS RECEIVED FROM THE DEPARTMENT, THE
8 LICENSEE SHALL SUBMIT A WRITTEN PLAN THAT INCLUDES THE TIME FRAME
9 FOR COMPLETING THE PLAN AND ADDRESSES THE RESTRICTION OR
10 CONDITION SPECIFIED.

11 (B) IF THE DEPARTMENT IMPOSES AN INTERMEDIATE RESTRICTION
12 OR CONDITION THAT IS THE RESULT OF A LIFE-THREATENING SITUATION,
13 THE DEPARTMENT SHALL NOTIFY THE LICENSEE IN WRITING, BY
14 TELEPHONE, OR IN PERSON DURING AN ON-SITE VISIT. THE LICENSEE SHALL
15 IMPLEMENT THE RESTRICTION OR CONDITION IMMEDIATELY UPON
16 RECEIVING NOTICE OF THE RESTRICTION OR CONDITION. IF THE
17 DEPARTMENT PROVIDES NOTICE OF A RESTRICTION OR CONDITION BY
18 TELEPHONE OR IN PERSON, THE DEPARTMENT SHALL SEND WRITTEN
19 CONFIRMATION OF THE RESTRICTION OR CONDITION TO THE LICENSEE
20 WITHIN TWO BUSINESS DAYS.

21 (III) (A) AFTER SUBMISSION OF AN APPROVED WRITTEN PLAN, A
22 LICENSEE MAY FIRST APPEAL ANY INTERMEDIATE RESTRICTION OR
23 CONDITION ON ITS LICENSE TO THE DEPARTMENT THROUGH AN INFORMAL
24 REVIEW PROCESS AS ESTABLISHED BY THE DEPARTMENT.

25 (B) IF THE RESTRICTION OR CONDITION REQUIRES PAYMENT OF A
26 CIVIL FINE PURSUANT TO THIS PARAGRAPH (b), THE LICENSEE MAY
27 REQUEST THAT THE INFORMAL REVIEW BE CONDUCTED IN PERSON. IN

1 ADDITION, THE LICENSEE MAY REQUEST AND THE DEPARTMENT SHALL
2 GRANT A STAY IN PAYMENT OF THE FINE UNTIL FINAL DISPOSITION OF THE
3 RESTRICTION OR CONDITION.

4 (C) IN THE EVENT A LICENSEE IS NOT SATISFIED WITH THE RESULT
5 OF THE INFORMAL REVIEW OR CHOOSES NOT TO SEEK INFORMAL REVIEW,
6 NO INTERMEDIATE RESTRICTION OR CONDITION ON THE LICENSEE SHALL BE
7 IMPOSED UNTIL AFTER AN OPPORTUNITY FOR A HEARING HAS BEEN
8 AFFORDED THE LICENSEE PURSUANT TO SECTION 24-4-105, C.R.S.

9 (IV) (A) IN THE EVENT THAT THE DEPARTMENT ASSESSES A CIVIL
10 FINE PURSUANT TO THIS PARAGRAPH (b), MONEYS RECEIVED BY THE
11 DEPARTMENT SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO
12 SHALL CREDIT THE SAME TO THE ASSISTED LIVING RESIDENCE
13 IMPROVEMENT CASH FUND, WHICH FUND IS HEREBY CREATED.

14 (B) THE GENERAL ASSEMBLY SHALL MAKE ANNUAL
15 APPROPRIATIONS FROM THE ASSISTED LIVING RESIDENCE IMPROVEMENT
16 CASH FUND FOR EXPENDITURES OF THE DEPARTMENT PURSUANT TO
17 SUBPARAGRAPH (V) OF THIS PARAGRAPH (b).

18 (C) NOTWITHSTANDING ANY PROVISION OF SECTION 24-36-114,
19 C.R.S., TO THE CONTRARY, ALL INTEREST DERIVED FROM THE DEPOSIT AND
20 INVESTMENT OF MONEYS FROM THE ASSISTED LIVING RESIDENCE
21 IMPROVEMENT CASH FUND CREATED IN SUB-SUBPARAGRAPH (A) OF THIS
22 SUBPARAGRAPH (IV) SHALL REMAIN IN THE ASSISTED LIVING RESIDENCE
23 IMPROVEMENT CASH FUND.

24 (V) CIVIL FINES COLLECTED PURSUANT TO THIS PARAGRAPH (b)
25 SHALL BE USED FOR EXPENSES RELATED TO:

26 (A) CONTINUING MONITORING REQUIRED PURSUANT TO THIS
27 PARAGRAPH (b);

1 (B) EDUCATION FOR LICENSEES TO AVOID RESTRICTIONS OR
2 CONDITIONS OR FACILITATE THE APPLICATION PROCESS OR THE CHANGE OF
3 OWNERSHIP PROCESS;

4 (C) EDUCATION FOR RESIDENTS AND THEIR FAMILIES ABOUT
5 RESOLVING PROBLEMS WITH A RESIDENCE, RIGHTS OF RESIDENTS, AND
6 RESPONSIBILITIES OF RESIDENCES;

7 (D) PROVIDING TECHNICAL ASSISTANCE TO ANY RESIDENCE FOR
8 THE PURPOSE OF COMPLYING WITH CHANGES IN RULES OR STATE OR
9 FEDERAL LAW;

10 (E) RELOCATING RESIDENTS TO OTHER FACILITIES OR RESIDENCES;

11 (F) MAINTAINING THE OPERATION OF A RESIDENCE PENDING
12 CORRECTION OF VIOLATIONS;

13 (G) CLOSING A RESIDENCE; OR

14 (H) REIMBURSING RESIDENTS FOR PERSONAL FUNDS LOST.

15 **SECTION 8.** 25-27-107, Colorado Revised Statutes, is amended
16 to read:

17 **25-27-107. License fees.** (1) (a) ON AND AFTER JULY 1, 2002,
18 _____ a nonrefundable fee of ~~fifty~~ ONE HUNDRED FIFTY dollars shall be
19 submitted to the department with an application for an original or renewal
20 license to operate a ~~personal care boarding home~~ AN ASSISTED LIVING
21 RESIDENCE, and an additional fee of ~~ten~~ TWENTY-THREE dollars per
22 available bed in the ~~facility~~ RESIDENCE shall be submitted to the
23 department once the applicant is notified that the application has been
24 approved; EXCEPT THAT AN ASSISTED LIVING RESIDENCE THAT MEETS THE
25 DEFINITION OF A HIGH MEDICAID UTILIZATION RESIDENCE SHALL SUBMIT
26 AN ADDITIONAL FEE OF FIFTEEN DOLLARS PER AVAILABLE BED IN THE
27 RESIDENCE TO THE DEPARTMENT.

1 (b) IN ADDITION TO THE FEES SUBMITTED PURSUANT TO
2 PARAGRAPH (a) OF THIS SUBSECTION (1), APPLICANTS SHALL SUBMIT THE
3 FOLLOWING FEES:

4 (I) A FEE OF FIVE THOUSAND DOLLARS FOR A LICENSE RELATED TO
5 NEW RESIDENCE OPERATIONS; EXCEPT THAT THIS FEE SHALL NOT APPLY TO
6 LIFE CARE FACILITIES IN EXISTENCE PRIOR TO JULY 1, 2002;

7 (II) A FEE OF TWO THOUSAND FIVE HUNDRED DOLLARS TO REISSUE
8 A NEW LICENSE WHEN THERE HAS BEEN A CHANGE OF OWNERSHIP OF A
9 RESIDENCE; AND

10 (III) UPON INITIAL APPLICATION, A LICENSEE SHALL SUBMIT A FEE
11 OF ONE THOUSAND ONE HUNDRED FIFTY DOLLARS RELATED TO
12 ESTABLISHING NEW SERVICES FOR RESIDENTS WHO NEED A SECURE
13 ENVIRONMENT.

14 (c) (I) LICENSEES SHALL SUBMIT TO THE DEPARTMENT ONE
15 HUNDRED FIFTY DOLLARS AS AN APPLICATION FEE AND A FEE OF
16 TWENTY-THREE DOLLARS PER BED ADDED BY THE RESIDENCE WHEN THE
17 LICENSEE INCREASES THE NUMBER OF BEDS IN A RESIDENCE PRIOR TO
18 RENEWAL. THE FEE FOR AN INCREASED NUMBER OF BEDS IN A RESIDENCE
19 SHALL BE PAID AT THE TIME THE REQUEST FOR THE INCREASE IS MADE WITH
20 THE LICENSEE'S APPLICATION.

21 (II) AN ASSISTED LIVING RESIDENCE THAT MEETS THE DEFINITION
22 OF A HIGH MEDICAID UTILIZATION RESIDENCE SHALL SUBMIT TO THE
23 DEPARTMENT ONE HUNDRED FIFTY DOLLARS AS AN APPLICATION FEE AND
24 A FEE OF FIFTEEN DOLLARS PER BED ADDED BY THE RESIDENCE WHEN THE
25 LICENSEE INCREASES THE NUMBER OF BEDS IN A RESIDENCE PRIOR TO
26 RENEWAL. THE FEE FOR AN INCREASED NUMBER OF BEDS IN A RESIDENCE
27 SHALL BE PAID AT THE TIME THE REQUEST FOR THE INCREASE IS MADE WITH

1 THE LICENSEE'S APPLICATION.

2 (d) (I) LICENSEES WHO UNDERGO NEW CONSTRUCTION OR
3 SUBSTANTIAL REMODELING OF A RESIDENCE SHALL SUBMIT A FEE AS
4 DETERMINED BY THE BOARD PURSUANT TO SUBPARAGRAPH (IV) OF THIS
5 PARAGRAPH (d) TO THE DEPARTMENT UPON COMPLETION OF THE NEW
6 CONSTRUCTION OR SUBSTANTIAL REMODELING OF A RESIDENCE.

7 (II) FOR THE PURPOSES OF THIS PARAGRAPH (d), "SUBSTANTIAL
8 REMODELING" MEANS ANY PHYSICAL ALTERATION TO AN ASSISTED LIVING
9 RESIDENCE THAT AFFECTS THE FIRE SAFETY RATINGS OF SUCH RESIDENCE
10 AS DETERMINED BY THE DEPARTMENT AND THE PHYSICAL ALTERATION:

11 (A) IS TO THE USE OR CONFIGURATION OF THE INTERIOR PARTITION
12 OR THE EXTERIOR SHELL OF THE RESIDENCE;

13 (B) AFFECTS THE BUILDING SYSTEM OF THE RESIDENCE,
14 INCLUDING, BUT NOT LIMITED TO, MECHANICAL, ELECTRICAL, PLUMBING,
15 FIRE PROTECTION AND SUPPRESSION, OR STRUCTURAL SYSTEMS; OR

16 (C) IMPEDES OR CHANGES INGRESS OR EGRESS TO THE RESIDENCE.

17 (III) "SUBSTANTIAL REMODELING" DOES NOT INCLUDE PAINTING,
18 CARPETING, OR REDECORATING A RESIDENCE WHEN SUCH ACTIVITIES DO
19 NOT AFFECT THE FIRE SAFETY RATING OF SUCH RESIDENCE.

20 (IV) THE BOARD SHALL DETERMINE BY RULE VARIOUS
21 SUBSTANTIAL REMODELING FEES; EXCEPT THAT NO SUCH FEE SHALL
22 EXCEED TWO THOUSAND DOLLARS.

23 (e) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT FEES
24 COLLECTED PURSUANT TO THIS SECTION ARE DESIGNED TO ASSIST THE
25 DEPARTMENT IN TIMELY REVIEWS OR INSPECTIONS OF A RESIDENCE OR
26 PLANS THAT AFFECT SUCH RESIDENCE.

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(2) The fees collected pursuant to ~~subsection (1)~~ of this section shall be transmitted to the state treasurer, who shall credit the same to the ~~personal care boarding home~~ ASSISTED LIVING RESIDENCE cash fund created in section 25-27-107.5.

(3) Notwithstanding the amount specified for any fee in ~~subsection (1)~~ of this section, the state board by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the state board by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4), C.R.S.

(4) FEES COLLECTED PURSUANT TO PARAGRAPHS (b) TO (d) OF SUBSECTION (1) OF THIS SECTION SHALL BE USED BY THE DEPARTMENT, IN ADDITION TO REGULATORY AND ADMINISTRATIVE FUNCTIONS, TO PROVIDE TECHNICAL ASSISTANCE AND EDUCATION TO ASSISTED LIVING RESIDENCES RELATED TO COMPLIANCE WITH COLORADO LAW. THE DEPARTMENT MAY CONTRACT WITH PRIVATE ENTITIES TO ASSIST THE DEPARTMENT IN PROVIDING SUCH TECHNICAL ASSISTANCE AND EDUCATION.

SECTION 9. 25-27-107.5, Colorado Revised Statutes, is amended to read:

25-27-107.5. Assisted living residence cash fund created. The fees collected pursuant to section 25-27-107, plus any civil penalty collected pursuant to section 25-27-103 (1) (b), shall be transmitted to the state treasurer, who shall credit the same to the ~~personal care boarding~~

1 ~~home~~ ASSISTED LIVING RESIDENCE cash fund, which fund is hereby
2 created. The moneys in the fund shall be subject to annual appropriation
3 by the general assembly for the direct and indirect costs of the department
4 in performing its duties under this article. At the end of any fiscal year,
5 all unexpended and unencumbered moneys in the fund shall remain
6 therein and shall not be credited or transferred to the general fund or any
7 other fund.

8 **SECTION 10.** 25-27-109, Colorado Revised Statutes, is amended
9 to read:

10 **25-27-109. List of licensed residences maintained by the**
11 **department.** The department shall maintain a current list of ~~personal~~
12 ~~care boarding homes which~~ ASSISTED LIVING RESIDENCES THAT have been
13 licensed and shall make such list available to individuals upon request.

14 **SECTION 11.** 25-27-110 (1) and (2), Colorado Revised Statutes,
15 are amended to read:

16 **25-27-110. Advisory committee - sunset review.** (1) There is
17 hereby established an advisory committee to the department for the
18 purposes of making recommendations to the department and reporting to
19 the house ~~and senate committees~~ COMMITTEE on health, environment,
20 welfare, and institutions AND THE SENATE COMMITTEE ON HEALTH,
21 ENVIRONMENT, CHILDREN AND FAMILIES concerning the ~~regulations~~ RULES
22 promulgated by the state board pursuant to this article, implementation of
23 the licensing program, the impact of the program, and the effectiveness
24 of enforcement. The advisory committee shall consist of not less than
25 nine members to be appointed by the executive director of the
26 department. The committee shall elect its own chairperson. Such
27 members shall be representatives from ~~personal care boarding homes~~

1 ASSISTED LIVING RESIDENCES, the Colorado commission on the aging,
2 local health departments, local boards of health, and consumer and other
3 agencies and organizations providing services to or concerned with
4 residents of ~~personal care boarding homes~~ ASSISTED LIVING RESIDENCES.
5 Members of the advisory committee shall serve on a voluntary basis and
6 shall serve without compensation.

7 (2) (a) ~~The advisory committee shall conduct an evaluation of the~~
8 ~~licensing program and shall report its findings annually to the house and~~
9 ~~senate committees on health, environment, welfare, and institutions not~~
10 ~~later than January 15, 1990, January 15, 1992, and January 15, 1994.~~

11 THE ADVISORY COMMITTEE SHALL DEVELOP RECOMMENDATIONS AND
12 REPORT SUCH RECOMMENDATIONS TO THE HEALTH, ENVIRONMENT,
13 WELFARE, AND INSTITUTIONS COMMITTEE OF THE HOUSE OF
14 REPRESENTATIVES, THE HEALTH, ENVIRONMENT, CHILDREN AND FAMILIES
15 COMMITTEE OF THE SENATE, AND THE JOINT BUDGET COMMITTEE NO LATER
16 THAN FEBRUARY 15, 2003, ON WHETHER OR NOT RISK-BASED INSPECTIONS
17 PROVIDE MORE EFFICIENT EXPENDITURES OF DEPARTMENT RESOURCES AND
18 AT THE SAME TIME ADEQUATELY PROTECT THE HEALTH, SAFETY, AND
19 WELL-BEING OF RESIDENTS OF ASSISTED LIVING RESIDENCES. SUCH
20 REPORT SHALL INCLUDE AN EVALUATION OF AT LEAST THE FOLLOWING
21 ELEMENTS:

22 (I) THE DETERMINATION OF OTHER STATES REGARDING THE
23 EFFECTIVENESS OF RISK-BASED INSPECTIONS;

24 (II) NECESSARY COMPONENTS TO BE INCLUDED BY THE
25 DEPARTMENT AS STANDARDS IF A RISK-BASED INSPECTION IS ADOPTED,
26 INCLUDING, BUT NOT LIMITED TO, CHANGES IN MANAGEMENT COMPOSITION
27 OF ASSISTED LIVING RESIDENCES UNDER A RISK-BASED INSPECTION

1 PROCESS AND HOW CHANGES IN SUCH MANAGEMENT SHOULD BE
2 ADDRESSED;

3 (III) WHETHER A RISK-BASED INSPECTION PROCESS IS THE MOST
4 EFFECTIVE METHOD OF PROTECTING THE HEALTH, SAFETY, AND
5 WELL-BEING OF RESIDENTS OF ASSISTED LIVING RESIDENCES;

6 (IV) NECESSARY REPORTING REQUIREMENTS FOR A RISK-BASED
7 INSPECTION PROCESS;

8 (V) ANY DIFFERENCES IN THE COST OF ADMINISTERING A
9 RISK-BASED INSPECTION PROGRAM AND HOW ANY DIFFERENCES IN COSTS
10 WOULD BE REFLECTED IN FEES ASSESSED TO LICENSEES; AND

11 (VI) ANY OTHER MATTER THE ADVISORY COMMITTEE DETERMINES
12 TO BE NECESSARY FOR THE EVALUATION OF RISK-BASED INSPECTIONS.

13 (b) THE ADVISORY COMMITTEE MAY CONSULT WITH ANY PARTY
14 NECESSARY TO EVALUATE RISK-BASED INSPECTIONS. IN ADDITION TO THE
15 NINE MEMBERS APPOINTED PURSUANT TO SUBSECTION (1) OF THIS SECTION,
16 THE EXECUTIVE DIRECTOR MAY APPOINT MEMBERS TO THE ADVISORY
17 COMMITTEE TO EVALUATE RISK-BASED INSPECTIONS AS DETERMINED
18 NECESSARY BY THE EXECUTIVE DIRECTOR. ANY ADDITIONAL MEMBER TO
19 THE ADVISORY COMMITTEE SHALL SERVE ON A VOLUNTARY BASIS AND
20 WITHOUT COMPENSATION. ANY ADDITIONAL MEMBER SHALL SERVE UNTIL
21 MAY 1, 2003.

22 **SECTION 12.** 25-27-111, Colorado Revised Statutes, is amended
23 to read:

24 **25-27-111. Rules.** The state board shall promulgate such
25 ~~regulations~~ RULES as are necessary to implement this article pursuant to
26 the provisions of article 4 of title 24, C.R.S.

27 **SECTION 13.** Article 27 of title 25, Colorado Revised Statutes,

1 is amended BY THE ADDITION OF A NEW SECTION to read:

2 **25-27-113. Fees for providers with high medicaid utilization**
3 **and disproportionate low income residences.** (1) THE GENERAL

4 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT ASSISTED
5 LIVING RESIDENCES PROVIDE NECESSARY SERVICES TO MANY RESIDENTS
6 WHO RECEIVE MEDICAID BENEFITS PURSUANT TO ARTICLE 4 OF TITLE 26,
7 C.R.S. BECAUSE SO MANY COLORADANS BENEFIT FROM ASSISTED LIVING
8 CENTERS THAT SERVE MEDICAID RECIPIENTS, THE GENERAL ASSEMBLY
9 HEREBY FINDS, DETERMINES, AND DECLARES THAT ASSISTED LIVING
10 RESIDENCES THAT HAVE HIGH MEDICAID UTILIZATION SHOULD RECEIVE A
11 MODIFIED FEE SCHEDULE FOR FEES REQUIRED BY THIS ARTICLE.

12 (2) RESIDENCES IDENTIFIED AS HIGH MEDICAID UTILIZATION
13 RESIDENCES BY THE DEPARTMENT SHALL BE SUBJECT TO A MODIFIED FEE
14 SCHEDULE AS DETERMINED BY THE BOARD.

15 **(3) RESIDENCES IDENTIFIED AS SERVICING A DISPROPORTIONATE**
16 **NUMBER OF LOW INCOME RESIDENTS MAY BE SUBJECT TO A MODIFIED FEE**
17 **SCHEDULE AS DETERMINED BY THE BOARD.**

18 **SECTION 14.** 25-1-107 (1) (I) (I) and (4), Colorado Revised
19 Statutes, are amended to read:

20 **25-1-107. Powers and duties of the department - repeal.**

21 (1) The department has, in addition to all other powers and duties
22 imposed upon it by law, the following powers and duties:

23 (I) (I) To annually license and to establish and enforce standards
24 for the operation of general hospitals, hospital units as defined in section
25 25-3-101 (2), psychiatric hospitals, community clinics, rehabilitation
26 centers, convalescent centers, community mental health centers, facilities
27 for persons with developmental disabilities, habilitation centers for

1 brain-damaged children, chiropractic centers and hospitals, maternity
2 hospitals, nursing care facilities, ~~residential care facilities~~, the pilot
3 project rehabilitative nursing facility, hospice care, ~~personal care~~
4 ~~boarding homes~~ ASSISTED LIVING RESIDENCES, dialysis treatment clinics,
5 ambulatory surgical centers, birthing centers, and other facilities of a like
6 nature, except those wholly owned and operated by any governmental
7 unit or agency. In establishing and enforcing such standards and in
8 addition to the required announced inspections, the department shall,
9 within available appropriations, make additional inspections without prior
10 notice to the facility. Such inspections shall be made only during the
11 hours of 7 a.m. to 7 p.m. The issuance, suspension, renewal, revocation,
12 annulment, or modification of licenses shall be governed by the
13 provisions of section 24-4-104, C.R.S., and section 25-3-102, and all
14 licenses shall bear the date of issue and cover a twelve-month period.
15 Nothing contained in this paragraph (1) shall be construed to prevent the
16 department from adopting and enforcing, with respect to projects for
17 which federal assistance has been obtained or shall be requested, such
18 higher standards as may be required by applicable federal laws or
19 regulations of federal agencies responsible for the administration of such
20 federal laws.

21 (4) In the exercise of its powers, the department shall not
22 promulgate any **rule, regulation, or standard** ~~which~~ THAT limits or
23 interferes with the ability of an individual to enter into a contract with a
24 private pay facility concerning the programs or services provided at the
25 private pay facility. For the purposes of this subsection (4), "private pay
26 facility" means a skilled nursing facility or intermediate care facility
27 subject to the requirements of section 25-1-120 or a ~~personal care~~

1 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE licensed pursuant to
2 section 25-27-105 that is not publicly funded or is not certified to provide
3 services that are reimbursed from state or federal assistance funds.

4 **SECTION 15.** 25-1-108 (3), Colorado Revised Statutes, is
5 amended, and the said 25-1-108 is further amended BY THE ADDITION
6 OF A NEW SUBSECTION, to read:

7 **25-1-108. Powers and duties of the state board of health -**
8 **report.** (3) In the exercise of its powers, the department shall not
9 promulgate any rule ~~regulation~~, or standard ~~which~~ THAT limits or
10 interferes with the ability of an individual to enter into a contract with a
11 private pay facility concerning the programs or services provided at the
12 private pay facility. For the purposes of this subsection (3), "private pay
13 facility" means a skilled nursing facility or intermediate care facility
14 subject to the requirements of section 25-1-120 or a ~~personal care~~
15 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE licensed pursuant to
16 section 25-27-105 that is not publicly funded or is not certified to provide
17 services that are reimbursed from state or federal assistance funds.

18 (5) (a) IN CONSULTATION WITH THE ADVISORY COMMITTEE FOR
19 ASSISTED LIVING RESIDENCES, THE BOARD SHALL REPORT TO THE HEALTH
20 ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEE OF THE HOUSE
21 OF REPRESENTATIVES, THE HEALTH, ENVIRONMENT, CHILDREN AND
22 FAMILIES COMMITTEE OF THE SENATE, AND THE JOINT BUDGET COMMITTEE
23 EVERY FIVE YEARS CONCERNING FEES CHARGED TO ASSISTED LIVING
24 RESIDENCES PURSUANT TO SECTION 25-27-107. THE REPORT SHALL
25 EVALUATE WHETHER SUCH FEES:

26 (I) ARE SUFFICIENT TO MEET THE EXPENSES OF THE DEPARTMENT
27 RELATED TO INSPECTIONS, REVIEWS, ENFORCEMENT, EDUCATION, AND

1 ASSISTANCE TO FACILITIES PURSUANT TO THIS ARTICLE;

2 (II) CREATE A FINANCIAL BURDEN FOR ASSISTED LIVING
3 RESIDENCES AND WHETHER ANY INCREASE IN FEES REQUIRED PURSUANT
4 TO SECTION 25-27-107 WOULD AFFECT THE SOLVENCY OF AN ASSISTED
5 LIVING RESIDENCE; AND

6 (III) SHOULD BE INCREASED OR DECREASED, THE AMOUNT SUCH
7 FEES SHOULD BE INCREASED OR DECREASED, AND JUSTIFICATION FOR THE
8 INCREASE OR DECREASE IN THE AMOUNT OF SUCH FEES.

9 (b) IN CONSULTATION WITH THE ADVISORY COMMITTEE FOR
10 ASSISTED LIVING RESIDENCES, THE DEPARTMENT SHALL REPORT BY
11 OCTOBER 15, 2003, TO THE HEALTH, ENVIRONMENT, WELFARE, AND
12 INSTITUTIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
13 HEALTH, ENVIRONMENT, CHILDREN AND FAMILIES COMMITTEE OF THE
14 SENATE ON THE COST OF THE INSPECTIONS AND THE NECESSITY TO ADJUST
15 THE FEES ASSESSED TO LICENSEES. THE DEPARTMENT SHALL INCLUDE IN
16 ITS REPORT THE NUMBER OF MEDICAID RESIDENCES AND THE NUMBER OF
17 PRIVATE PAY RESIDENCES THAT HAVE BEEN INSPECTED AND THE FUNDING
18 THAT WOULD BE NEEDED, IF ANY, TO INSPECT THE PRIVATE-PAY
19 RESIDENCES.

20 **SECTION 16.** 25-3-101 (1), Colorado Revised Statutes, is
21 amended to read:

22 **25-3-101. Hospitals - health facilities - licensed.** (1) It is
23 unlawful for any person, partnership, association, or corporation to open,
24 conduct, or maintain any general hospital, hospital unit as defined in
25 subsection (2) of this section, psychiatric hospital, community clinic,
26 rehabilitation center, convalescent center, community mental health
27 center, facility for persons with developmental disabilities, habilitation

1 center for brain-damaged children, chiropractic center and hospital,
2 maternity hospital, nursing care facility, ~~residential care facility~~, pilot
3 project rehabilitative nursing facility, hospice care, ~~personal care~~
4 ~~boarding home~~ ASSISTED LIVING RESIDENCE, except a ~~personal care~~
5 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE shall be assessed a license
6 fee as set forth in section 25-27-107, dialysis treatment clinic, ambulatory
7 surgical center, birthing center, or other facility of a like nature, except
8 those wholly owned and operated by any governmental unit or agency,
9 without first having obtained a license therefor from the department of
10 public health and environment.

11 **SECTION 17. Appropriation.** (1) In addition to any other
12 appropriation, there is hereby appropriated, out of any moneys in the
13 assisted living residence cash fund not otherwise appropriated, to the
14 department of public health and environment, for allocation to the health
15 facilities division, for the fiscal year beginning July 1, 2002, the sum of
16 two hundred ninety-one thousand four hundred eighty-two dollars
17 (\$291,482) and 3.3 FTE, or so much thereof as may be necessary, for the
18 implementation of this act.

19 (2) In addition to any other appropriation, there is hereby
20 appropriated to the department of law, for the fiscal year beginning July
21 1, 2001, the sum of nine thousand three hundred forty-nine dollars
22 (\$9,349), or so much as may be necessary, for the provision of legal
23 services to the department of public health and environment for the
24 implementation of this act. Said sum shall be from cash funds exempt
25 received from the department of public health and environment out of the
26 appropriation made in subsection (1) of this section.

27 **SECTION 18. Effective date - applicability.** This act shall take

1 effect July 1, 2002, and shall apply to licenses issued or renewed to
2 assisted living residences, fees collected from assisted living residences,
3 and intermediate penalties assessed against assisted living residences on
4 or after said date.

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