

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 02-0556.01 Julie Hoerner

HOUSE BILL 02-1323

HOUSE SPONSORSHIP

Berry

SENATE SPONSORSHIP

Windels

House Committees

Health, Environment, Welfare, & Institutions

Senate Committees

A BILL FOR AN ACT

101 CONCERNING ASSISTED LIVING RESIDENCES.

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 found during an inspection. Allows the department to require criminal

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.

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
14 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AS THE EXECUTIVE

1 BRANCH AGENCY ASSIGNED TO ADMINISTER AND ENFORCE MINIMUM
2 STANDARDS FOR ASSISTED LIVING RESIDENCES, IS IN A POSITION TO
3 PROVIDE TECHNICAL ASSISTANCE, EDUCATIONAL MATERIALS, AND
4 TRAINING INFORMATION TO RESIDENCES. THE GENERAL ASSEMBLY
5 DETERMINES THAT A PROACTIVE APPROACH BY THE DEPARTMENT, ACTING
6 AS A MENTOR AND EDUCATOR FOR RESIDENCES, WILL ENHANCE THE
7 QUALITY OF CARE OF RESIDENTS OF ASSISTED LIVING RESIDENCES.

8 (3) FURTHER, THE GENERAL ASSEMBLY DETERMINES AND
9 DECLARES THAT, IN ADMINISTERING AND ENFORCING STANDARDS FOR
10 ASSISTED LIVING RESIDENCES, THE DEPARTMENT OF PUBLIC HEALTH AND
11 ENVIRONMENT SHOULD FOCUS ON THE OUTCOME RELATED TO MEASURES
12 AND TREATMENT OF RESIDENTS.

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

16 **25-27-102. Definitions.** As used in this article, unless the context
17 otherwise requires:

18 (1.3) "ASSISTED LIVING RESIDENCE" OR "RESIDENCE" MEANS A
19 RESIDENTIAL FACILITY THAT MAKES AVAILABLE TO THREE OR MORE
20 ADULTS NOT RELATED TO THE OWNER OF SUCH FACILITY, EITHER DIRECTLY
21 OR INDIRECTLY THROUGH A PROVIDER AGREEMENT, ROOM AND BOARD
22 AND PERSONAL SERVICES, PROTECTIVE OVERSIGHT, AND SOCIAL CARE DUE
23 TO IMPAIRED CAPACITY TO LIVE INDEPENDENTLY, BUT NOT TO THE EXTENT
24 THAT REGULAR TWENTY-FOUR-HOUR MEDICAL OR NURSING CARE IS
25 REQUIRED. THE TERM "ASSISTED LIVING RESIDENCE" DOES NOT INCLUDE
26 ANY FACILITY LICENSED IN THIS STATE AS A RESIDENTIAL CARE FACILITY
27 FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES, OR ANY

1 INDIVIDUAL RESIDENTIAL SUPPORT SERVICES THAT ARE EXCLUDED FROM
2 LICENSURE REQUIREMENTS PURSUANT TO RULES ADOPTED BY THE
3 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

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

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

- 20 (a) An environment ~~which~~ THAT is sanitary and safe from physical
21 harm;
- 22 (b) Individualized social supervision;
- 23 (c) Assistance with transportation; and
- 24 (d) Assistance with activities of daily living, including but not
25 limited to bathing, dressing, and eating.

26 (10) "Protective oversight" means guidance of a resident as
27 required by the needs of the resident or as reasonably requested by the

1 resident, including the following:

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

4 (b) Monitoring the activities of the resident while on the premises
5 to ensure ~~his~~ THE RESIDENT'S health, safety, and well-being, including
6 monitoring of ~~prescribed medications; reminding the resident to carry out~~
7 ~~daily living activities; and reminding the resident of any important~~
8 ~~activities, including appointments~~ THE RESIDENT'S NEEDS AND ENSURING
9 THAT THE RESIDENT RECEIVES THE SERVICES AND CARE NECESSARY TO
10 PROTECT THE RESIDENT'S HEALTH, SAFETY, AND WELL-BEING.

11 **SECTION 3.** The introductory portion to 25-27-103 (1) and
12 25-27-103 (1) (b), Colorado Revised Statutes, are amended to read:

13 **25-27-103. License required - criminal and civil penalties.**

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

19 (b) May be subject to a civil penalty assessed by the department
20 of not less than fifty dollars nor more than one hundred dollars for each
21 day the ~~facility~~ RESIDENCE violates this section. The assessed penalty
22 shall accrue from the date the ~~facility~~ RESIDENCE is found by the
23 department to be in violation of this section. The assessment,
24 enforcement, and collection of the penalty shall be by the department in
25 accordance with article 4 of title 24, C.R.S., for credit to the ~~personal care~~
26 ~~boarding home~~ ASSISTED LIVING RESIDENCE cash fund created pursuant
27 to section 25-27-107.5. Enforcement and collection of the penalty shall

1 occur following the decision reached in accordance with procedures set
2 forth in section 24-4-105, C.R.S.

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

8 **25-27-104. Minimum standards for assisted living residences**
9 **- rules.** (1) On or before November 1, ~~1985~~ 2002, the state board shall
10 promulgate ~~regulations~~ RULES pursuant to section 24-4-103, C.R.S.,
11 providing minimum standards for the location, sanitation, fire safety,
12 adequacy of facilities, adequacy of diet and nutrition, equipment,
13 structure, operation, provision of personal services and protective
14 oversight, and personnel practices of ~~personal care boarding homes~~
15 ASSISTED LIVING RESIDENCES within the state of Colorado. Such
16 ~~regulations~~ RULES shall differentiate between homes of different sizes.
17 In formulating such ~~regulations~~ RULES, the state board shall seek
18 recommendations from the advisory committee established pursuant to
19 section 25-27-110.

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

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

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

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

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

15 (h) INTERMEDIATE ENFORCEMENT REMEDIES AS AUTHORIZED BY
16 SECTION 25-27-106 (2); AND

17 (i) WRITTEN PLANS, TO BE SUBMITTED BY RESIDENCES TO THE
18 DEPARTMENT FOR APPROVAL, DETAILING THE MEASURES THAT WILL BE
19 TAKEN TO CORRECT VIOLATIONS FOUND AS A RESULT OF INSPECTIONS.

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

22 **25-27-105. License - application - inspection - issuance.** (1) An
23 application for a license to operate a ~~personal care boarding home~~ AN
24 ASSISTED LIVING RESIDENCE shall be submitted to the department annually
25 upon such form and in such manner as prescribed by the department.

26 (2) The department shall investigate and pass on each original
27 application and each renewal application for a license. The department

1 shall inspect or cause to be inspected the ~~facilities~~ RESIDENCES to be
2 operated by an applicant for an original license before the license is
3 granted and shall annually thereafter inspect or cause to be inspected the
4 ~~facilities~~ RESIDENCES of all licensees. The department shall make such
5 other inspections as it deems necessary to insure that the health, safety,
6 and welfare of the residents are being protected. THE RESIDENCE SHALL
7 SUBMIT IN WRITING, IN A FORM PRESCRIBED BY THE DEPARTMENT, A PLAN
8 DETAILING THE MEASURES THAT WILL BE TAKEN TO CORRECT ANY
9 VIOLATIONS FOUND BY THE DEPARTMENT AS A RESULT OF INSPECTIONS
10 UNDERTAKEN PURSUANT TO THIS SUBSECTION (2).

11 (2.5) (a) ON JULY 1, 2002, as part of an original ~~and each renewal~~
12 application AND ON AND AFTER JULY 1, 2002, ON THE FIRST RENEWAL OF
13 AN APPLICATION FOR ASSISTED LIVING RESIDENCES LICENSED BEFORE JULY
14 1, 2002, for a license, an owner, applicant, or licensee shall request from
15 a criminal justice agency designated by the department criminal history
16 record information regarding such owner, applicant, or licensee. The
17 information, upon such request and subject to any restrictions imposed by
18 such agency, shall be forwarded by the criminal justice agency directly
19 to the department.

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

27 (2.8) No license shall be issued or renewed by the department if

1 the owner, applicant, or licensee of the ~~personal care boarding home~~
2 ASSISTED LIVING RESIDENCE has been convicted of a felony or of a
3 misdemeanor, which felony or misdemeanor involves moral turpitude or
4 involves conduct ~~which~~ THAT the department determines could pose a risk
5 to the health, safety, and welfare of the residents of the ~~personal care~~
6 ~~boarding home~~ ASSISTED LIVING RESIDENCE.

7 (3) Except as otherwise provided in subsection (4) of this section,
8 the department shall issue or renew a license when it is satisfied that the
9 applicant or licensee is in compliance with the requirements set out in this
10 article and the ~~regulations~~ RULES promulgated thereunder. Except for
11 provisional licenses issued in accordance with subsection (4) of this
12 section, a license issued or renewed pursuant to this section shall expire
13 one year from the date of issuance or renewal.

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

27 **SECTION 6.** 25-27-105.5, Colorado Revised Statutes, is

1 amended to read:

2 **25-27-105.5. Compliance with local government zoning**
3 **regulations - notice to local governments - provisional licensure.**

4 (1) The department shall require any ~~personal care boarding home~~
5 ASSISTED LIVING RESIDENCE seeking licensure pursuant to this article to
6 comply with any applicable zoning regulations of the municipality, city
7 and county, or county where the ~~home~~ RESIDENCE is situated. Failure to
8 comply with applicable zoning regulations shall constitute grounds for the
9 denial of a license to a ~~home~~ RESIDENCE; except that nothing in this
10 section shall be construed to supersede the provisions of sections
11 30-28-115 (2), 31-23-301 (4), and 31-23-303 (2), C.R.S.

12 (2) The department shall assure that timely written notice is
13 provided to the municipality, city and county, or county where a ~~personal~~
14 ~~care boarding home~~ AN ASSISTED LIVING RESIDENCE is situated, including
15 the address of the ~~home~~ RESIDENCE and the population and number of
16 persons to be served by the ~~home~~ RESIDENCE, when any of the following
17 occurs:

18 (a) An application for a license to operate a ~~personal care~~
19 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE pursuant to section
20 25-27-105 is made;

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

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

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

27 (3) Notwithstanding the provisions of section 25-27-105 (4), in

1 the event of a zoning or other delay or dispute between a ~~personal care~~
2 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE and the municipality, city
3 and county, or county where the ~~home~~ RESIDENCE is situated, the
4 department may grant a provisional license to the ~~home~~ RESIDENCE for up
5 to one hundred twenty days pending resolution of the delay or dispute.

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

8 **25-27-106. License denial, suspension, or revocation.**

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

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

26 (b) (I) THE DEPARTMENT MAY IMPOSE INTERMEDIATE
27 RESTRICTIONS OR CONDITIONS ON A LICENSEE THAT MAY INCLUDE AT

1 LEAST ONE OF, BUT ARE NOT LIMITED TO, THE FOLLOWING:

2 (A) RETAINING A CONSULTANT TO ADDRESS CORRECTIVE
3 MEASURES;

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

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

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

9 (E) PAYING A CIVIL FINE THAT IS NO GREATER THAN TWO
10 THOUSAND DOLLARS PER VIOLATION.

11 (II) (A) IF THE DEPARTMENT IMPOSES AN INTERMEDIATE
12 RESTRICTION OR CONDITION THAT IS NOT A RESULT OF A
13 LIFE-THREATENING SITUATION, THE LICENSEE SHALL RECEIVE WRITTEN
14 NOTICE OF THE RESTRICTION OR CONDITION. NO LATER THAN TEN DAYS
15 AFTER THE DATE THE NOTICE IS RECEIVED FROM THE DEPARTMENT, THE
16 LICENSEE SHALL SUBMIT A WRITTEN PLAN THAT INCLUDES THE TIME FRAME
17 FOR COMPLETING THE PLAN AND ADDRESSES THE RESTRICTION OR
18 CONDITION SPECIFIED.

19 (B) IF THE DEPARTMENT IMPOSES AN INTERMEDIATE RESTRICTION
20 OR CONDITION THAT IS THE RESULT OF A LIFE-THREATENING SITUATION,
21 THE DEPARTMENT SHALL NOTIFY THE LICENSEE IN WRITING, BY
22 TELEPHONE, OR IN PERSON DURING AN ON-SITE VISIT. THE LICENSEE SHALL
23 IMPLEMENT THE RESTRICTION OR CONDITION IMMEDIATELY UPON
24 RECEIVING NOTICE OF THE RESTRICTION OR CONDITION. IF THE
25 DEPARTMENT PROVIDES NOTICE OF A RESTRICTION OR CONDITION BY
26 TELEPHONE OR IN PERSON, THE DEPARTMENT SHALL SEND WRITTEN
27 CONFIRMATION OF THE RESTRICTION OR CONDITION TO THE LICENSEE

1 WITHIN TWO BUSINESS DAYS.

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

6 (B) IF THE RESTRICTION OR CONDITION REQUIRES PAYMENT OF A
7 CIVIL FINE PURSUANT TO THIS PARAGRAPH (b), THE LICENSEE MAY
8 REQUEST THAT THE INFORMAL REVIEW BE CONDUCTED IN PERSON. IN
9 ADDITION, THE LICENSEE MAY REQUEST AND THE DEPARTMENT SHALL
10 GRANT A STAY IN PAYMENT OF THE FINE UNTIL FINAL DISPOSITION OF THE
11 RESTRICTION OR CONDITION.

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

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

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

27 (V) CIVIL FINES COLLECTED PURSUANT TO THIS PARAGRAPH (b)

1 SHALL BE USED FOR EXPENSES RELATED TO:

2 (A) CONTINUING MONITORING REQUIRED PURSUANT TO THIS
3 PARAGRAPH (b);

4 (B) EDUCATION FOR LICENSEES TO AVOID RESTRICTIONS OR
5 CONDITIONS OR FACILITATE THE APPLICATION PROCESS OR THE CHANGE OF
6 OWNERSHIP PROCESS;

7 (C) EDUCATION FOR RESIDENTS AND THEIR FAMILIES ABOUT
8 RESOLVING PROBLEMS WITH A RESIDENCE, RIGHTS OF RESIDENTS, AND
9 RESPONSIBILITIES OF RESIDENCES;

10 (D) PROVIDING TECHNICAL ASSISTANCE TO ANY RESIDENCE FOR
11 THE PURPOSE OF COMPLYING WITH CHANGES IN RULES OR STATE OR
12 FEDERAL LAW;

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

14 (F) MAINTAINING THE OPERATION OF A RESIDENCE PENDING
15 CORRECTION OF VIOLATIONS;

16 (G) CLOSING A RESIDENCE; OR

17 (H) REIMBURSING RESIDENTS FOR PERSONAL FUNDS LOST.

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

20 **25-27-107. License fees.** (1) (a) ON AND AFTER JULY 1, 2002,
21 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (1.5) AND (1.7) OF THIS
22 SECTION, a nonrefundable fee of ~~fifty~~ ONE HUNDRED FIFTY dollars shall
23 be submitted to the department with an application for an original or
24 renewal license to operate a ~~personal care boarding home~~ AN ASSISTED
25 LIVING RESIDENCE, and an additional fee of ~~ten~~ FIFTEEN dollars per
26 available bed in the ~~facility~~ RESIDENCE shall be submitted to the
27 department once the applicant is notified that the application has been

1 approved.

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

5 (I) A FEE OF FIVE THOUSAND DOLLARS FOR A LICENSE RELATED TO
6 NEW RESIDENCE OPERATIONS;

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

10 (III) A FEE OF ONE THOUSAND ONE HUNDRED FIFTY DOLLARS FOR
11 PROVIDING SERVICES FOR RESIDENTS WHO NEED A SECURE ENVIRONMENT.

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

19 (d) (I) LICENSEES WHO UNDERGO NEW CONSTRUCTION OR
20 SUBSTANTIAL REMODELING OF A RESIDENCE SHALL SUBMIT A FEE AS
21 DETERMINED BY THE BOARD PURSUANT TO SUBPARAGRAPH (IV) OF THIS
22 PARAGRAPH (d) TO THE DEPARTMENT UPON COMPLETION OF THE NEW
23 CONSTRUCTION OR SUBSTANTIAL REMODELING OF A RESIDENCE.

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

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

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

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

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

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

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

17 (1.5) (a) ON AND AFTER JULY 1, 2003, A NONREFUNDABLE FEE OF
18 ONE HUNDRED FIFTY DOLLARS SHALL BE SUBMITTED TO THE DEPARTMENT
19 WITH AN APPLICATION FOR AN ORIGINAL OR RENEWAL LICENSE TO
20 OPERATE AN ASSISTED LIVING RESIDENCE, AND AN ADDITIONAL FEE OF
21 TWENTY-SEVEN DOLLARS PER AVAILABLE BED IN THE RESIDENCE SHALL BE
22 SUBMITTED TO THE DEPARTMENT ONCE THE APPLICANT IS NOTIFIED THAT
23 THE APPLICATION HAS BEEN APPROVED.

24 (b) IN ADDITION TO THE FEES SUBMITTED PURSUANT TO
25 PARAGRAPH (a) OF THIS SUBSECTION (1.5), APPLICANTS SHALL SUBMIT THE
26 FOLLOWING FEES:

27 (I) A FEE OF FIVE THOUSAND DOLLARS FOR A LICENSE RELATED TO

1 NEW RESIDENCE OPERATIONS;

2 (II) A FEE OF FOUR THOUSAND THREE HUNDRED DOLLARS TO
3 REISSUE A NEW LICENSE WHEN THERE HAS BEEN A CHANGE OF OWNERSHIP
4 OF A RESIDENCE; AND

5 (III) A FEE OF ONE THOUSAND ONE HUNDRED FIFTY DOLLARS FOR
6 PROVIDING SERVICES FOR RESIDENTS WHO NEED A SECURE ENVIRONMENT.

7 (c) LICENSEES SHALL SUBMIT TO THE DEPARTMENT ONE HUNDRED
8 FIFTY DOLLARS AS AN APPLICATION FEE AND A FEE OF TWENTY-SEVEN
9 DOLLARS PER BED ADDED BY THE RESIDENCE WHEN THE LICENSEE
10 INCREASES THE NUMBER OF BEDS IN A RESIDENCE PRIOR TO RENEWAL. THE
11 FEE FOR AN INCREASED NUMBER OF BEDS IN A RESIDENCE SHALL BE PAID
12 AT THE TIME THE REQUEST FOR THE INCREASE IS MADE WITH THE
13 LICENSEE'S APPLICATION.

14 (d) (I) LICENSEES WHO UNDERGO NEW CONSTRUCTION OR
15 SUBSTANTIAL REMODELING OF A RESIDENCE SHALL SUBMIT A FEE AS
16 DETERMINED BY THE BOARD PURSUANT TO SUBPARAGRAPH (IV) OF THIS
17 PARAGRAPH (d) TO THE DEPARTMENT UPON COMPLETION OF THE NEW
18 CONSTRUCTION OR SUBSTANTIAL REMODELING OF A RESIDENCE.

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

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

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

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

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

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

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

12 (f) (I) THE FEES SET FORTH IN PARAGRAPHS (a) TO (d) OF THIS
13 SUBSECTION (1.5) SHALL SUPERSEDE THOSE SET FORTH IN PARAGRAPHS (a)
14 TO (d) OF SUBSECTION (1) OF THIS SECTION; EXCEPT THAT THIS
15 SUBSECTION (1.5) SHALL NOT BECOME EFFECTIVE IF:

16 (A) ON OR BEFORE JULY 1, 2003, THE GENERAL ASSEMBLY ACTS
17 BY BILL TO DEFRAY THE COSTS ASSOCIATED WITH THE ASSISTED LIVING
18 RESIDENCE PROGRAM THROUGH OTHER REVENUE SOURCES THAT WOULD
19 HAVE BEEN PAID FOR THROUGH THE FEES PURSUANT TO THIS SUBSECTION
20 (1.5); OR

21 (B) THE IMPLEMENTATION OF AN EFFECTIVE RISK-BASED
22 INSPECTION PROCESS WOULD YIELD A SUFFICIENT COST SAVINGS TO OFFSET
23 THE REQUIREMENT FOR THE FEES PURSUANT TO THIS SUBSECTION (1.5).

24 (II) THE DEPARTMENT SHALL ENCOURAGE THE EXPENDITURE OF
25 GENERAL FUND MONEYS TO DEFRAY THE COSTS ASSOCIATED WITH THE
26 ASSISTED LIVING RESIDENCE PROGRAM.

27 (g) IF THE IMPLEMENTATION OF A RISK-BASED INSPECTION PROCESS

1 YIELDS COST SAVINGS, THE BED FEE IN THIS SUBSECTION (1.5) SHALL BE
2 DECREASED BY THE GENERAL ASSEMBLY ACTING BY BILL.

3 (1.7) (a) ON AND AFTER JULY 1, 2002, FOR ASSISTED LIVING
4 RESIDENCES THAT HAVE A HIGH MEDICAID UTILIZATION AS DETERMINED BY
5 RULE OF THE BOARD, A NONREFUNDABLE FEE OF ONE HUNDRED FIFTY
6 DOLLARS SHALL BE SUBMITTED TO THE DEPARTMENT WITH AN
7 APPLICATION FOR AN ORIGINAL OR RENEWAL LICENSE TO OPERATE SUCH
8 AN ASSISTED LIVING RESIDENCE, AND AN ADDITIONAL FEE OF FIFTEEN
9 DOLLARS PER AVAILABLE BED IN THE RESIDENCE SHALL BE SUBMITTED TO
10 THE DEPARTMENT ONCE THE APPLICANT IS NOTIFIED THAT THE
11 APPLICATION HAS BEEN APPROVED.

12 (b) IN ADDITION TO THE FEES SUBMITTED PURSUANT TO
13 PARAGRAPH (a) OF THIS SUBSECTION (1.7), HIGH MEDICAID UTILIZATION
14 APPLICANTS SHALL SUBMIT THE FOLLOWING FEES:

15 (I) A FEE OF FIVE THOUSAND DOLLARS FOR A LICENSE RELATED TO
16 NEW RESIDENCE OPERATIONS;

17 (II) A FEE OF FOUR THOUSAND THREE HUNDRED DOLLARS TO
18 REISSUE A NEW LICENSE WHEN THERE HAS BEEN A CHANGE OF OWNERSHIP
19 OF A RESIDENCE; AND

20 (III) A FEE OF ONE THOUSAND ONE HUNDRED FIFTY DOLLARS FOR
21 PROVIDING SERVICES FOR RESIDENTS WHO NEED A SECURE ENVIRONMENT.

22 (c) LICENSEES SHALL SUBMIT TO THE DEPARTMENT ONE HUNDRED
23 FIFTY DOLLARS AS AN APPLICATION FEE AND A FEE OF FIFTEEN DOLLARS
24 PER BED ADDED IN THE RESIDENCE WHEN THE LICENSEE INCREASES THE
25 NUMBER OF BEDS IN A RESIDENCE PRIOR TO RENEWAL. THE FEE FOR AN
26 INCREASED NUMBER OF BEDS IN A RESIDENCE SHALL BE PAID AT THE TIME
27 THE REQUEST FOR THE INCREASE IS MADE WITH THE LICENSEE'S

1 APPLICATION.

2 (d) (I) LICENSEES WHO UNDERGO NEW CONSTRUCTION OR
3 SUBSTANTIAL REMODELING OF A RESIDENCE SHALL SUBMIT A FEE IN AN
4 AMOUNT DETERMINED BY THE BOARD PURSUANT TO SUBPARAGRAPH (IV)
5 OF THIS PARAGRAPH (d) TO THE DEPARTMENT UPON COMPLETION OF THE
6 NEW 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) FEES COLLECTED PURSUANT TO THIS SECTION ARE DESIGNED TO
24 ENSURE THE TIMELY REVIEW OR INSPECTION OF A RESIDENCE OR PLANS
25 THAT AFFECT SUCH RESIDENCE.

26 (2) The fees collected pursuant to ~~subsection (1)~~ of this section
27 shall be transmitted to the state treasurer, who shall credit the same to the

1 ~~personal care boarding home~~ ASSISTED LIVING RESIDENCE cash fund
2 created in section 25-27-107.5.

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

12 (4) FEES COLLECTED PURSUANT TO PARAGRAPHS (b) TO (d) OF
13 SUBSECTION (1) AND PARAGRAPHS (b) TO (d) OF SUBSECTIONS (1.5) AND
14 (1.7) OF THIS SECTION SHALL BE USED BY THE DEPARTMENT, IN ADDITION
15 TO REGULATORY AND ADMINISTRATIVE FUNCTIONS, TO PROVIDE
16 TECHNICAL ASSISTANCE AND EDUCATION TO ASSISTED LIVING RESIDENCES
17 RELATED TO COMPLIANCE WITH COLORADO LAW. THE DEPARTMENT MAY
18 CONTRACT WITH PRIVATE ENTITIES TO ASSIST THE DEPARTMENT IN
19 PROVIDING SUCH TECHNICAL ASSISTANCE AND EDUCATION.

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

22 **25-27-107.5. Assisted living residence cash fund created.** The
23 fees collected pursuant to section 25-27-107, plus any civil penalty
24 collected pursuant to section 25-27-103 (1) (b), shall be transmitted to the
25 state treasurer, who shall credit the same to the ~~personal care boarding~~
26 ~~home~~ ASSISTED LIVING RESIDENCE cash fund, which fund is hereby
27 created. The moneys in the fund shall be subject to annual appropriation

1 by the general assembly for the direct and indirect costs of the department
2 in performing its duties under this article. At the end of any fiscal year,
3 all unexpended and unencumbered moneys in the fund shall remain
4 therein and shall not be credited or transferred to the general fund or any
5 other fund.

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

8 **25-27-109. List of licensed residences maintained by the**
9 **department.** The department shall maintain a current list of ~~personal~~
10 ~~care boarding homes which~~ ASSISTED LIVING RESIDENCES THAT have been
11 licensed and shall make such list available to individuals upon request.

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

14 **25-27-110. Advisory committee - sunset review.** (1) There is
15 hereby established an advisory committee to the department for the
16 purposes of making recommendations to the department and reporting to
17 the house ~~and senate committees~~ COMMITTEE on health, environment,
18 welfare, and institutions AND THE SENATE COMMITTEE ON HEALTH,
19 ENVIRONMENT, CHILDREN AND FAMILIES concerning the ~~regulations~~ RULES
20 promulgated by the state board pursuant to this article, implementation of
21 the licensing program, the impact of the program, and the effectiveness
22 of enforcement. The advisory committee shall consist of not less than
23 nine members to be appointed by the executive director of the
24 department. The committee shall elect its own chairperson. Such
25 members shall be representatives from ~~personal care boarding homes~~
26 ASSISTED LIVING RESIDENCES, the Colorado commission on the aging,
27 local health departments, local boards of health, and consumer and other

1 agencies and organizations providing services to or concerned with
2 residents of ~~personal care boarding homes~~ ASSISTED LIVING RESIDENCES.
3 Members of the advisory committee shall serve on a voluntary basis and
4 shall serve without compensation.

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

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

20 (I) THE DETERMINATION OF OTHER STATES REGARDING THE
21 EFFECTIVENESS OF RISK-BASED INSPECTIONS;

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

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

4 (IV) NECESSARY REPORTING REQUIREMENTS FOR A RISK-BASED
5 INSPECTION PROCESS;

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

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

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

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

22 **25-27-111. Rules.** The state board shall promulgate such
23 ~~regulations~~ RULES as are necessary to implement this article pursuant to
24 the provisions of article 4 of title 24, C.R.S.

25 **SECTION 13.** Article 27 of title 25, Colorado Revised Statutes,
26 is amended BY THE ADDITION OF A NEW SECTION to read:

27 **25-27-113. Fees for providers with high medicaid utilization.**

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

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

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

15 **25-1-107. Powers and duties of the department - repeal.**

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

18 (I) (I) To annually license and to establish and enforce standards
19 for the operation of general hospitals, hospital units as defined in section
20 25-3-101 (2), psychiatric hospitals, community clinics, rehabilitation
21 centers, convalescent centers, community mental health centers, facilities
22 for persons with developmental disabilities, habilitation centers for
23 brain-damaged children, chiropractic centers and hospitals, maternity
24 hospitals, nursing care facilities, ~~residential care facilities~~, the pilot
25 project rehabilitative nursing facility, hospice care, ~~personal care~~
26 ~~boarding homes~~ ASSISTED LIVING RESIDENCES, dialysis treatment clinics,
27 ambulatory surgical centers, birthing centers, and other facilities of a like

1 nature, except those wholly owned and operated by any governmental
2 unit or agency. In establishing and enforcing such standards and in
3 addition to the required announced inspections, the department shall,
4 within available appropriations, make additional inspections without prior
5 notice to the facility. Such inspections shall be made only during the
6 hours of 7 a.m. to 7 p.m. The issuance, suspension, renewal, revocation,
7 annulment, or modification of licenses shall be governed by the
8 provisions of section 24-4-104, C.R.S., and section 25-3-102, and all
9 licenses shall bear the date of issue and cover a twelve-month period.
10 Nothing contained in this paragraph (l) shall be construed to prevent the
11 department from adopting and enforcing, with respect to projects for
12 which federal assistance has been obtained or shall be requested, such
13 higher standards as may be required by applicable federal laws or
14 regulations of federal agencies responsible for the administration of such
15 federal laws.

16 (4) In the exercise of its powers, the department shall not
17 promulgate any rule ~~regulation~~, or standard ~~which~~ THAT limits or
18 interferes with the ability of an individual to enter into a contract with a
19 private pay facility concerning the programs or services provided at the
20 private pay facility. For the purposes of this subsection (4), "private pay
21 facility" means a skilled nursing facility or intermediate care facility
22 subject to the requirements of section 25-1-120 or a ~~personal care~~
23 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE licensed pursuant to
24 section 25-27-105 that is not publicly funded or is not certified to provide
25 services that are reimbursed from state or federal assistance funds.

26 **SECTION 15.** 25-1-108 (3), Colorado Revised Statutes, is
27 amended to read:

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

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

14 **25-3-101. Hospitals - health facilities - licensed.** (1) It is
15 unlawful for any person, partnership, association, or corporation to open,
16 conduct, or maintain any general hospital, hospital unit as defined in
17 subsection (2) of this section, psychiatric hospital, community clinic,
18 rehabilitation center, convalescent center, community mental health
19 center, facility for persons with developmental disabilities, habilitation
20 center for brain-damaged children, chiropractic center and hospital,
21 maternity hospital, nursing care facility, ~~residential care facility~~, pilot
22 project rehabilitative nursing facility, hospice care, ~~personal care~~
23 ~~boarding home~~ ASSISTED LIVING RESIDENCE, except a ~~personal care~~
24 ~~boarding home~~ AN ASSISTED LIVING RESIDENCE shall be assessed a license
25 fee as set forth in section 25-27-107, dialysis treatment clinic, ambulatory
26 surgical center, birthing center, or other facility of a like nature, except
27 those wholly owned and operated by any governmental unit or agency,

1 without first having obtained a license therefor from the department of
2 public health and environment.

3 **SECTION 17. Effective date - applicability.** This act shall take
4 effect July 1, 2002, and shall apply to licenses issued or renewed to
5 assisted living residences, fees collected from assisted living residences,
6 and intermediate penalties assessed against assisted living residences on
7 or after said date.

8 **SECTION 18. Safety clause.** The general assembly hereby
9 finds, determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, and safety.