

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

BILLPAPER

INTRODUCED

LLS NO. 24-0346.01 Shelby Ross x4510

HOUSE BILL 24-1038

HOUSE SPONSORSHIP

Young and Bradley, Duran, Evans, Froelich, Joseph, Pugliese

SENATE SPONSORSHIP

Kirkmeyer and Fields, Michaelson Jenet, Zenzinger

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING ADDRESSING THE HIGH-ACUITY CRISIS FOR CHILDREN**
102 **AND YOUTH IN NEED OF RESIDENTIAL CARE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Colorado's Child Welfare System Interim Study Committee. The bill requires the department of health care policy and financing, in collaboration with the behavioral health administration (BHA) and the department of human services, to develop a system of care (system of care) for children and youth who are less than 21 years of age and who have complex behavioral health needs. At a minimum, the system of care

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

must include:

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

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

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

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

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

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

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

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

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

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

5 (d) EXPANDED ACCESS TO TREATMENT FOSTER CARE, AS DEFINED
6 IN SECTION 26-6-903, PURSUANT TO SUBSECTION (3) OF THIS SECTION.

7 (2) NO LATER THAN JANUARY 1, 2025, THE STATE DEPARTMENT
8 SHALL SEEK FEDERAL AUTHORIZATION TO EXPAND THE RESIDENTIAL CHILD
9 HEALTH-CARE PROGRAM ESTABLISHED PURSUANT TO SECTION 25.5-6-903
10 TO INCLUDE CHILDREN AND YOUTH WHO HAVE A SERIOUS EMOTIONAL
11 DISTURBANCE THAT PUTS THE CHILD OR YOUTH AT RISK OR IN NEED OF
12 OUT-OF-HOME PLACEMENT.

13 (3) NO LATER THAN JANUARY 1, 2025, THE STATE DEPARTMENT
14 SHALL DEVELOP AND IMPLEMENT A PLAN TO INCREASE ACCESS TO
15 TREATMENT FOSTER CARE, AS DEFINED IN SECTION 26-6-903, UNDER THE
16 STATE MEDICAL ASSISTANCE PROGRAM.

17 (4) THE STATE DEPARTMENT MAY PROMULGATE RULES IN
18 CONSULTATION WITH THE BEHAVIORAL HEALTH ADMINISTRATION AND THE
19 DEPARTMENT OF HUMAN SERVICES FOR THE ADMINISTRATION AND
20 IMPLEMENTATION OF THE SYSTEM OF CARE FOR CHILDREN AND YOUTH.

21 (5) NO LATER THAN JANUARY 1, 2025, THE DEPARTMENT OF
22 HEALTH CARE POLICY AND FINANCING SHALL CONTRACT WITH A
23 THIRD-PARTY VENDOR TO COMPLETE AN ACTUARIAL ANALYSIS IN ORDER
24 TO DETERMINE THE APPROPRIATE MEDICAID REIMBURSEMENT RATE FOR
25 PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES, AS DEFINED IN SECTION
26 25.5-4-103.

27 (6) AS USED IN THIS SECTION, "CHILD OR YOUTH" MEANS AN

1 INDIVIDUAL WHO IS LESS THAN TWENTY-ONE YEARS OF AGE.

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

4 **26-6-923. Residential child care provider training academy -**
5 **clinical quality and oversight - report - rules - definition.** (1) THE
6 RESIDENTIAL CHILD CARE PROVIDER TRAINING ACADEMY IS CREATED IN
7 THE STATE DEPARTMENT TO FACILITATE A PIPELINE OF HIGH-QUALITY
8 STAFF FOR RESIDENTIAL CHILD CARE PROVIDERS AND ENSURE THAT
9 INDIVIDUALS HIRED TO WORK AT RESIDENTIAL CHILD CARE FACILITIES
10 RECEIVE THE NECESSARY TRAINING TO PERFORM THE INDIVIDUAL'S JOB
11 FUNCTIONS RESPONSIBLY AND EFFECTIVELY.

12 (2) ON OR BEFORE SEPTEMBER 15, 2025, THE STATE DEPARTMENT
13 SHALL PROMULGATE RULES FOR THE ADMINISTRATION OF THE ACADEMY.

14 AT A MINIMUM, THE RULES MUST INCLUDE:

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

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

19 (c) ESTABLISHMENT OF MINIMUM STANDARDS OF COMPETENCE
20 THAT A STAFF MEMBER SHALL DEMONSTRATE PRIOR TO RECEIVING
21 ACADEMY CERTIFICATION;

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

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

27 (3) NO LATER THAN JULY 1, 2025, THE STATE DEPARTMENT SHALL

1 DEVELOP A SYSTEM TO ESTABLISH AND MONITOR QUALITY STANDARDS
2 FOR RESIDENTIAL CHILD CARE PROVIDERS, INCLUDING CLINICAL CARE FOR
3 CHILDREN AND YOUTH IN RESIDENTIAL TREATMENT SETTINGS, AND
4 ENSURE THE QUALITY STANDARDS ARE IMPLEMENTED INTO ALL LEVELS OF
5 CARE THAT SERVE CHILDREN AND YOUTH IN OUT-OF-HOME PLACEMENT.

6 (4) NO LATER THAN JULY 1, 2026, THE STATE DEPARTMENT SHALL
7 DEVELOP A SYSTEM TO INCENTIVIZE RESIDENTIAL CHILD CARE PROVIDERS
8 TO IMPLEMENT QUALITY STANDARDS ABOVE THE MINIMUM STANDARDS
9 ESTABLISHED BY THE STATE DEPARTMENT PURSUANT TO SUBSECTION (3)
10 OF THIS SECTION.

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

15 (6) (a) NO LATER THAN JULY 1, 2026, THE STATE DEPARTMENT
16 SHALL COLLECT DATA FROM RESIDENTIAL CHILD CARE PROVIDERS ON THE
17 REASONS PROVIDERS DENY, OR ARE UNABLE TO PROVIDE, RESIDENTIAL
18 CHILD CARE SERVICES TO CHILDREN AND YOUTH.

19 (b) UPON IMPLEMENTATION OF THE BEHAVIORAL HEALTH
20 CAPACITY TRACKING SYSTEM CREATED PURSUANT TO SECTION
21 27-60-104.5, THE BEHAVIORAL HEALTH ADMINISTRATION SHALL PROVIDE
22 TO THE HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH
23 AND HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN
24 SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, A REPORT ON
25 RESIDENTIAL CHILD CARE PROVIDER DENIALS OF CARE.

26 (7) NO LATER THAN JULY 1, 2026, AND EACH JULY THEREAFTER,
27 THE STATE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE

1 HOUSE OF REPRESENTATIVES PUBLIC AND BEHAVIORAL HEALTH AND
2 HUMAN SERVICES COMMITTEE AND THE SENATE HEALTH AND HUMAN
3 SERVICES COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ON THE
4 IMPLEMENTATION OF QUALITY STANDARDS DEVELOPED PURSUANT TO
5 SUBSECTION (3) OF THIS SECTION.

6 (8) THE SCHOOL DISTRICT IN WHICH A CHILD RESIDES IS
7 RESPONSIBLE FOR PROVIDING FREE AND APPROPRIATE PUBLIC EDUCATION
8 TO THE CHILD REGARDLESS OF WHETHER THE CHILD IS IN OUT-OF-HOME
9 PLACEMENT PURSUANT TO SECTIONS 22-1-102 AND 22-20-107.5.

10 (9) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
11 REQUIRES:

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

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

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

18 **26-5-117. Out-of-home placement for children and youth with**
19 **mental or behavioral needs - funding - report - rules - legislative**
20 **declaration - definitions - repeal.** (2) (d) NO LATER THAN JANUARY 1,
21 2025, AND SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE
22 DEPARTMENT SHALL EXPAND THE NUMBER OF TREATMENT BEDS
23 AVAILABLE UNDER THE PROGRAM CREATED PURSUANT TO SUBSECTION
24 (2)(a) OF THIS SECTION.

25 ~~(8) This section is intended to provide enhanced emergency~~
26 ~~services resulting from the increased need for services due to the~~
27 ~~COVID-19 pandemic. No later than September 30, 2024, the state~~

1 ~~department shall submit recommendations to the house of representatives~~
2 ~~public and behavioral health and human services committee, the senate~~
3 ~~health and human services committee, or their successor committees, and~~
4 ~~the joint budget committee about how to provide necessary services for~~
5 ~~children and youth in need of residential care, including hospital~~
6 ~~step-down services on an ongoing basis.~~

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

8 (10) THE STATE DEPARTMENT SHALL ANALYZE THE LOCATION OF
9 EXISTING CAPACITY OF SPECIALIZED FOSTER CARE SETTINGS ACROSS THE
10 STATE, WHERE GAPS EXIST, AND BARRIERS TO EXPANDING SPECIALIZED
11 FOSTER CARE SETTINGS, AND PROVIDE RECOMMENDATIONS TO ACHIEVE
12 NETWORK ADEQUACY OF SPECIALIZED FOSTER CARE SUPPORTS STATEWIDE.

13 (11) (a) SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE
14 DEPARTMENT AND THE BEHAVIORAL HEALTH ADMINISTRATION SHALL
15 INCREASE THE MINIMUM REIMBURSEMENT RATES PAID TO QUALIFIED
16 RESIDENTIAL TREATMENT PROGRAMS FOR THE PURPOSE OF ALIGNING
17 ROOM AND BOARD PAYMENTS ACROSS PAYER SOURCES.

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

24 (12) NO LATER THAN DECEMBER 31, 2025, AND SUBJECT TO
25 AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL CONTRACT
26 WITH ONE OR MORE THIRD-PARTY VENDORS TO IMPLEMENT A PILOT
27 PROGRAM TO ASSESS THE NEEDS OF, AND PROVIDE SHORT-TERM

1 RESIDENTIAL SERVICES FOR, JUVENILE JUSTICE-INVOLVED YOUTH WHO DO
2 NOT MEET THE CRITERIA FOR DETENTION PURSUANT TO SECTIONS
3 19-2.5-303 AND 19-2.5-304.

4 (13) (a) NO LATER THAN SEPTEMBER 15, 2024, AND SUBJECT TO
5 AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL CONTRACT
6 WITH ADDITIONAL LICENSED PROVIDERS FOR THE DELIVERY OF SERVICES
7 TO CHILDREN AND YOUTH WHO ARE DETERMINED ELIGIBLE FOR AND
8 PLACED IN THE PROGRAM CREATED PURSUANT TO SUBSECTION (2)(a) OF
9 THIS SECTION.

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

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

25 **ARTICLE 64.5**

26 **System of Care for Children and Youth with**
27 **Complex Behavioral Health Needs**

1 **27-64.5-101. Definitions.** AS USED IN THIS ARTICLE 64.5, UNLESS
2 THE CONTEXT OTHERWISE REQUIRES:

3 (1) "BEHAVIORAL HEALTH ADMINISTRATION" OR "BHA" MEANS
4 THE BEHAVIORAL HEALTH ADMINISTRATION ESTABLISHED IN SECTION
5 27-50-102.

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

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

10 **27-64.5-102. System of care for children and youth - rules.**

11 (1) NO LATER THAN JULY 1, 2024, THE BEHAVIORAL HEALTH
12 ADMINISTRATION, IN COLLABORATION WITH THE STATE DEPARTMENT AND
13 THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING PURSUANT TO
14 PART 20 OF ARTICLE 6 OF TITLE 25.5, SHALL BEGIN DEVELOPING A SYSTEM
15 OF CARE FOR CHILDREN AND YOUTH WHO HAVE COMPLEX BEHAVIORAL
16 HEALTH NEEDS. AT A MINIMUM, THE SYSTEM OF CARE MUST INCLUDE:

17 (a) IMPLEMENTATION OF A STANDARDIZED ASSESSMENT TOOL
18 THAT:

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

21 (II) MAKES RECOMMENDATIONS REGARDING THE APPROPRIATE
22 LEVEL OF CARE NECESSARY TO MEET THE CHILD'S OR YOUTH'S TREATMENT
23 NEEDS;

24 (III) INFORMS THE CHILD'S OR YOUTH'S TREATMENT PLANNING,
25 INCLUDING BEHAVIORAL HEALTH PROGRAMMING AND MEDICAL NEEDS;
26 AND

27 (IV) IS ADMINISTERED TO CHILDREN AND YOUTH WHO ARE

1 ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM OR ANY CHILD
2 OR YOUTH WHO MEETS THE REFERRAL REQUIREMENTS ESTABLISHED BY
3 THE BEHAVIORAL HEALTH ADMINISTRATION, THE STATE DEPARTMENT,
4 AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING;

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

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

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

12 (2) NO LATER THAN OCTOBER 1, 2024, THE BHA SHALL
13 PROMULGATE RULES IN COLLABORATION WITH THE STATE DEPARTMENT
14 AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE
15 ADMINISTRATION AND IMPLEMENTATION OF THE SYSTEM OF CARE FOR
16 CHILDREN AND YOUTH. AT A MINIMUM, THE RULES MUST ADDRESS:

17 (a) THE POPULATIONS ELIGIBLE FOR THE SYSTEM OF CARE
18 COMPONENTS;

19 (b) MECHANISMS FOR DETERMINING ELIGIBILITY FOR
20 PARTICIPATING IN THE SYSTEM OF CARE; AND

21 (c) REQUIREMENTS FOR RESIDENTIAL TREATMENT PROVIDERS TO
22 OBTAIN CULTURAL COMPETENCY RELATED TO THE PROVISION OF SERVICES
23 UNDER A SYSTEM OF CARE.

24 **SECTION 5. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly; except
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this
2 act within such period, then the act, item, section, or part will not take
3 effect unless approved by the people at the general election to be held in
4 November 2024 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.