Second Regular Session Seventy-third General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction HOUSE BILL 22-1283

LLS NO. 22-0805.01 Jane Ritter x4342

HOUSE SPONSORSHIP

Michaelson Jenet and Bradfield, Amabile, Gonzales-Gutierrez, Bacon, Benavidez, Bird, Boesenecker, Caraveo, Cutter, Daugherty, Esgar, Exum, Froelich, Garnett, Gray, Herod, Hooton, Jodeh, Kipp, Lindsay, Lontine, McCluskie, McCormick, McLachlan, Mullica, Ortiz, Roberts, Sirota, Snyder, Sullivan, Titone, Valdez A., Valdez D., Weissman, Woodrow, Young

SENATE SPONSORSHIP

Buckner and Priola,

House Committees Public & Behavioral Health & Human Services Appropriations **Senate Committees**

A BILL FOR AN ACT

101 CONCERNING ENHANCED RESIDENTIAL SERVICES FOR PERSONS WITH

102 BEHAVIORAL HEALTH NEEDS, AND, IN CONNECTION THEREWITH,

103 MAKING AN APPROPRIATION.

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 <u>http://leg.colorado.gov</u>.)

The bill implements the recommendations of the behavioral health transformational task force concerning youth and family residential care. Specifically, the bill:

• Creates in-home and residential respite care in 10-12 regions of the state for children and families;

HOUSE Amended 3rd Reading April 20, 2022

> Amended 2nd Reading April 19, 2022

HOUSE

- Provides operational support for psychiatric residential treatment facilities and qualified residential treatment programs for youth; and
- Provides funds to build and staff a neuro-psych facility at the Colorado mental health institute at Fort Logan.

The bill requires the general assembly to appropriate money from the behavioral and mental health cash fund to the department of human services to implement the provisions of the bill.

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

2 SECTION 1. Legislative declaration. (1) The general assembly
3 finds and declares that:

4

4 (a) During the COVID-19 pandemic, children and youth faced
5 unprecedented behavioral health challenges;

6 (b) During this unprecedented time, children, youth, and their
7 families may have lost access to, or needed increased availability of,
8 behavioral and mental health care;

9 (c) Since the COVID-19 pandemic began, rates of psychological
10 distress among youth have increased, including symptoms of anxiety,
11 depression, and other behavioral and mental health disorders;

(d) Additional in-home and residential respite care services and
facilities for children and families must be created in ten to twelve
regions of the state to meet the increased need;

(e) Funding for additional operational support is critical for
psychiatric residential treatment facilities and qualified residential
treatment programs for youth across the state;

(f) It is crucial to begin the process of building and staffing a
neuro-psych facility with a capacity of up to sixteen beds for youth less
than twenty-one years of age at the Colorado mental health institute at
Fort Logan; and

(g) The federal government enacted the "American Rescue Plan
 Act of 2021" to provide support to state, local, and tribal governments in
 responding to the impact of the COVID-19 pandemic.

4

(2) The general assembly further declares that:

5 (a) Children, youth, and families have been disproportionately 6 impacted by the COVID-19 pandemic and its negative public health 7 impacts, especially the behavioral health of children, youth, and families. 8 The programs and services funded by the federal money in this act are 9 appropriate uses of the money transferred to Colorado under the 10 "American Rescue Plan Act". This money will expand access to 11 evidence-based treatment for behavioral health services, including 12 additional in-home and residential respite care; operational support that 13 is critical for psychiatric residential treatment facilities and qualified 14 residential treatment programs for youth across the state; and building and 15 staffing a neuro-psych facility with a capacity of up to sixteen beds for 16 youth less than twenty-one years of age at the Colorado mental health 17 institute at Fort Logan; and

18 (b) The services described in this act are critical government19 services.

SECTION 2. In Colorado Revised Statutes, add with amended
 and relocated provisions 26-5-116 as follows:

22 26-5-116. [Formerly 27-60-113] Out-of-home placement for
 23 children and youth with mental or behavioral needs - funding 24 report - rules - legislative declaration - repeal. (1) (a) The general
 25 assembly finds and declares that:

26 (I) The COVID-19 pandemic has lead to an emergency need for27 increased placements for children and youth with behavioral or mental

1 health needs, including those involved with the child welfare system; and

(II) As the state works to transition to the critical requirements of
the federal "Family First Prevention Services Act", it must ensure a
smooth transition by helping existing residential child care facilities
transition to qualified residential treatment programs or psychiatric
residential treatment facilities.

(b) Therefore, the general assembly declares that the state should
provide resources to qualified residential treatment programs, psychiatric
residential treatment facilities, or therapeutic foster care providers to
address this emergency situation and ensure there are high-quality
providers available to meet these needs.

12 (2) (a) On or before August 1, 2021, the state department shall 13 develop a program to provide emergency resources to licensed providers 14 to help remove barriers such providers face in serving children and youth 15 whose behavioral or mental health needs require services and treatment 16 in a residential child care facility. Any such licensed provider shall meet 17 the requirements of a qualified residential treatment program, as defined 18 in section 26-5.4-102; a psychiatric residential treatment facility, as 19 defined in section 26-5.4-103 (19.5) SECTION 25.5-4-103 (19.5); 20 TREATMENT FOSTER CARE; or therapeutic foster care. as defined in section 21 26-6-102 (39).

(b) (I) BEGINNING JULY 1, 2022, THE STATE DEPARTMENT SHALL
PROVIDE ONGOING OPERATIONAL SUPPORT FOR PSYCHIATRIC RESIDENTIAL
TREATMENT FACILITIES, THERAPEUTIC FOSTER CARE, TREATMENT FOSTER
CARE, AND QUALIFIED RESIDENTIAL TREATMENT PROGRAMS AS DESCRIBED
IN SUBSECTION (2)(a) OF THIS SECTION.

27 (II) FOR THE 2022-23 BUDGET YEAR, THE GENERAL ASSEMBLY

SHALL APPROPRIATE MONEY FROM THE BEHAVIORAL AND MENTAL HEALTH
 CASH FUND CREATED IN SECTION 24-75-230 TO THE STATE DEPARTMENT
 TO FUND OPERATIONAL SUPPORT FOR PSYCHIATRIC RESIDENTIAL
 TREATMENT FACILITIES FOR YOUTH, QUALIFIED RESIDENTIAL TREATMENT
 PROGRAMS, THERAPEUTIC FOSTER CARE, AND TREATMENT FOSTER CARE
 FOR YOUTH ACROSS THE STATE AS DESCRIBED IN THIS SUBSECTION (2).

(III) MONEY SPENT PURSUANT TO THIS SUBSECTION (2) MUST
CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL
"AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED.
THE STATE DEPARTMENT SHALL EITHER SPEND OR OBLIGATE SUCH
APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE
APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

13 (IV) THIS SUBSECTION (2)(b) IS REPEALED, EFFECTIVE SEPTEMBER
14 1, 2027.

(c) THE STATE DEPARTMENT AND ANY PERSON WHO RECEIVES
MONEY FROM THE STATE DEPARTMENT SHALL COMPLY WITH THE
COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION
REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND
BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION
24-75-226 (5).

(3) The state department may promulgate rules concerning the
placement of a child or youth in the program. The rules may address
quality assurance monitoring, admissions, discharge planning, appropriate
length of stay, an appeals process for children and youth who are
determined ineligible for the program, and compliance with applicable
federal law, including the federal "Family First Prevention Services Act";
except that rules concerning the placement of a child or youth who is not

in the custody of a state or county department of human or social services
 shall MUST not inappropriately apply compliance with such act.

3 (4) (a) On or before December 31, 2021, the state department shall
4 contract with licensed providers for the delivery of services to children
5 and youth who are determined eligible for and placed in the program. A
6 provider that contracts with the state department shall not:

7 (I) Deny admittance of a child or youth if the child or youth
8 otherwise meets the eligibility criteria for the program; or

9 (II) Discharge a child or youth based on the severity or complexity 10 of the child CHILD'S or youth's physical, behavioral, or mental health 11 needs; except that the state department may arrange for the placement of 12 a child or youth with an alternate contracted provider if the placement 13 with the alternate provider is better suited to deliver services that meet the 14 needs of the child or youth.

(b) The state department shall reimburse a provider directly for the costs associated with the placement of a child or youth in the program for the duration of the treatment, including the costs the provider demonstrates are necessary in order for the provider to operate continuously during this period.

(c) The state department shall coordinate with the department of
health care policy and financing to support continuity of care and
payment for services for any children or youth placed in the program.

(d) The state department shall reimburse the provider one hundred
percent of the cost of unutilized beds in the program to ensure available
space for emergency residential out-of-home placements.

26 (5) (a) A hospital, health-care provider, provider of case
27 management services, school district, managed care entity, or state or

-6-

county department of human or social services may refer a family for the placement of a child or youth in the program. The entity referring a child or youth for placement in the program shall submit or assist the family with submitting an application to the state department for review. The state department shall consider each application as space becomes available. The state department shall approve admissions into the program and determine admission and discharge criteria for placement.

8 (b) The state department shall develop a discharge plan for each 9 child or youth placed in the program. The plan must include the eligible 10 period of placement of the child or youth and shall identify the entity that 11 will be responsible for the placement costs if the child or youth remains 12 with the provider beyond the date of eligibility identified in the plan.

(c) The entity or family that places the child or youth in the
program retains the right to remove the child or youth from the program
any time prior to the discharge date specified by the state department.

16 (6) Within seven days after submitting an application to the state 17 department for placing a child or youth in the program, the state 18 department shall work with the referring entity and the child's or youth's 19 parents or legal guardians to ensure the child or youth is assessed for 20 eligibility for enrollment into the state medical assistance program. A 21 child or youth who is eligible for enrollment into the state medical 22 assistance program shall be enrolled. Enrollment of a child or youth into 23 the state medical assistance program does not constitute automatic 24 placement into the program.

(7) No later than November 1, 2022, 2023, and 2024 ON OR
BEFORE NOVEMBER 1, 2023, AND EVERY NOVEMBER 1 THEREAFTER, the
state department shall submit a written report to the house of

1	representatives public and behavioral health and human services
2	committee, the senate health and human services committee, or their
3	successor committees, and the joint budget committee. At a minimum, the
4	report must include:
5	(a) The number of applications received for placement of children
6	and youth in the program;
7	(b) The number of children and youth accepted for placement in
8	the program;
9	(c) The duration of each placement; and
10	(d) The daily rate paid to each provider for placement of children
11	and youth.
12	(8) This section is intended to provide enhanced emergency
13	services resulting from the increased need for services due to the
14	COVID-19 pandemic. No later than September 30, 2024, the state
15	department shall submit recommendations to the house of representatives
16	public and behavioral health and human services committee, the senate
17	health and human services committee, or their successor committees, and
18	the joint budget committee about how to provide necessary services for
19	children and youth in need of residential care, including hospital
20	step-down services on an ongoing basis.
21	(9) This section is repealed, effective July 1, 2025 JULY 1, 2028.
22	SECTION 3. In Colorado Revised Statutes, 27-60-103, add (1.5)
23	as follows:
24	27-60-103. Behavioral health crisis response system - services
25	- request for proposals - criteria - reporting - rules - definition -
26	repeal. (1.5) (a) BEGINNING JANUARY 1, 2023, THE STATE DEPARTMENT
27	SHALL CREATE IN-HOME AND RESIDENTIAL RESPITE CARE SERVICES AND

-8-

FACILITIES FOR CHILDREN AND FAMILIES IN UP TO SEVEN REGIONS OF THE
 STATE, AS DETERMINED BY THE STATE DEPARTMENT AND A COMMITTEE OF
 INTERESTED STAKEHOLDERS.

4 (b) (I) FOR THE 2022-23 BUDGET YEAR, THE GENERAL ASSEMBLY
5 SHALL APPROPRIATE MONEY FROM THE BEHAVIORAL AND MENTAL HEALTH
6 CASH FUND PURSUANT TO SECTION 24-75-230 TO THE STATE DEPARTMENT
7 TO FUND IN-HOME AND RESIDENTIAL RESPITE CARE ACROSS THE STATE AS
8 DESCRIBED IN THIS SUBSECTION (1.5).

9 (II) MONEY SPENT PURSUANT TO THIS SUBSECTION (1.5) MUST
10 CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL
11 "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS THE ACT MAY
12 BE SUBSEQUENTLY AMENDED. THE STATE DEPARTMENT SHALL EITHER
13 SPEND OR OBLIGATE SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024,
14 AND EXPEND THE APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

15 (III) THIS SUBSECTION (1.5)(b) IS REPEALED, EFFECTIVE
16 SEPTEMBER 1, 2027.

17

(c) (I) BEGINNING IN STATE FISCAL YEAR 2023-24, MONEY
APPROPRIATED TO THE STATE DEPARTMENT FOR THE PURPOSE OF THIS
SUBSECTION (1.5) MUST CONTINUE THE STATEWIDE ACCESS TO CRISIS
SYSTEM SERVICES FOR CHILDREN AND YOUTH UNTIL JUNE 30, 2026;

(II) BEGINNING IN THE STATE FISCAL YEAR 2022-23, MONEY
APPROPRIATED TO THE STATE DEPARTMENT FOR THE PURPOSE OF
IMPLEMENTING THIS SUBSECTION (1.5) MUST SUPPORT RESIDENTIAL
RESPITE CARE PROVIDED TO YOUTH INVOLVED IN THE FOSTER CARE
SYSTEM; AND

27 (III) RESPITE FOSTER CARE HOMES MUST BE IN COMPLIANCE WITH

-9-

1 ALL OTHER APPLICABLE RULES REGULATING FOSTER CARE HOMES. 2 (d) THE STATE DEPARTMENT AND ANY PERSON THAT RECEIVES 3 MONEY FROM THE STATE DEPARTMENT SHALL COMPLY WITH THE 4 COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION 5 REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND 6 BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 7 24-75-226 (5). 8 SECTION 4. In Colorado Revised Statutes, repeal 27-60-113. 9 10 SECTION 5. In Colorado Revised Statutes, add 27-80-127 as 11 follows: 12 27-80-127. Children and youth in need of residential mental 13 health and substance use treatment -repeal. (1) ON OR BEFORE JULY 14 1,2023, THE BEHAVIORAL HEALTH ADMINISTRATION, CREATED PURSUANT 15 TO PART 2 OF ARTICLE 60 OF TITLE 27, SHALL CREATE, DEVELOP, OR 16 CONTRACT TO ADD ADDITIONAL RESIDENTIAL SUBSTANCE USE TREATMENT 17 BEDS FOR YOUTH. TO THE GREATEST EXTENT POSSIBLE, THE DEPARTMENT 18 SHALL ENSURE THAT BOTH MENTAL HEALTH AND SUBSTANCE USE 19 TREATMENT SERVICES ARE AVAILABLE IN ONE RESIDENTIAL LOCATION. 20 THE DEPARTMENT SHALL WORK COLLABORATIVELY WITH THE 21 BEHAVIORAL HEALTH ADMINISTRATION FOR LICENSING AND DETERMINING 22 THE GREATEST AREAS OF NEED. 23 (2) (a) (I) FOR THE 2022-23 BUDGET YEAR, THE GENERAL 24 ASSEMBLY SHALL APPROPRIATE FIVE MILLION DOLLARS FROM THE 25 BEHAVIORAL AND MENTAL HEALTH CASH FUND, CREATED PURSUANT TO 26 SECTION 24-75-230, TO THE DEPARTMENT TO EXPAND SUBSTANCE USE 27 RESIDENTIAL TREATMENT BEDS FOR ADOLESCENTS, AS DESCRIBED IN

1 SUBSECTION (1) OF THIS SECTION.

2 (II) MONEY SPENT PURSUANT TO THIS SUBSECTION (2) MUST 3 CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL 4 "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED. 5 THE DEPARTMENT SHALL EITHER SPEND OR OBLIGATE SUCH 6 APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE 7 APPROPRIATION ON OR BEFORE DECEMBER 31, 2026. 8 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE SEPTEMBER 1, 9 2027. 10 (3) THE DEPARTMENT OF HUMAN SERVICES AND ANY PERSON THAT 11 RECEIVES MONEY FROM THE DEPARTMENT OF HUMAN SERVICES SHALL 12 COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND 13 PROGRAM EVALUATION REOUIREMENTS ESTABLISHED BY THE OFFICE OF 14 STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN 15 ACCORDANCE WITH SECTION 24-75-226 (5). 16 (4) THIS SECTION IS KNOWN AS THE "ANDY CAMPOS-PADILLA 17 ACT". 18 SECTION 6. In Colorado Revised Statutes, add 27-90-112 as 19 follows: 20 27-90-112. Youth neuro-psych facility - funding - repeal. 21 (1) BEGINNING JULY 1, 2022, THE DEPARTMENT OF HUMAN SERVICES 22 SHALL BEGIN THE PROCESS TO CREATE, DEVELOP, OR CONTRACT FOR A 23 NEURO-PSYCH FACILITY. THE NEURO-PSYCH FACILITY MUST HAVE A 24 CAPACITY OF AT LEAST SIXTEEN RESIDENTIAL BEDS FOR COLORADO 25 YOUTH WHO ARE LESS THAN TWENTY-ONE YEARS OF AGE. THE 26 DEPARTMENT SHALL DEVELOP AND IMPLEMENT ADMISSION CRITERIA THAT 27 ENSURES THAT COLORADO CHILDREN AND YOUTH, PRIOR TO BEING

ADMITTED, HAVE BEEN EVALUATED FOR THE LEAST RESTRICTIVE LEVEL OF
 CARE AND THAT GEOGRAPHIC LOCATION, CURRENT HEALTH-CARE
 PROVIDER, AND PAYER TYPE ARE NOT THE PRIMARY DETERMINING
 FACTORS IN WHETHER A YOUTH HAS ACCESS TO A BED AT THE
 NEURO-PSYCH FACILITY.

6 (2) (a) (I) FOR THE 2022-23 BUDGET YEAR, THE GENERAL 7 ASSEMBLY SHALL APPROPRIATE MONEY FROM THE BEHAVIORAL AND 8 MENTAL HEALTH CASH FUND PURSUANT TO SECTION 24-75-230 TO THE 9 DEPARTMENT OF HUMAN SERVICES TO FUND OPERATIONAL SUPPORT FOR 10 PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES FOR YOUTH AND 11 QUALIFIED RESIDENTIAL TREATMENT PROGRAMS FOR YOUTH ACROSS THE 12 STATE AS DESCRIBED IN THIS SUBSECTION (2).

(II) MONEY SPENT PURSUANT TO THIS SUBSECTION (2) MUST
CONFORM WITH THE ALLOWABLE PURPOSES SET FORTH IN THE FEDERAL
"AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS AMENDED.
THE DEPARTMENT OF HUMAN SERVICES SHALL EITHER SPEND OR OBLIGATE
SUCH APPROPRIATION PRIOR TO DECEMBER 30, 2024, AND EXPEND THE
APPROPRIATION ON OR BEFORE DECEMBER 31, 2026.

19 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE SEPTEMBER 1,20 2027.

(3) THE DEPARTMENT OF HUMAN SERVICES AND ANY PERSON THAT
RECEIVES MONEY FROM THE DEPARTMENT OF HUMAN SERVICES SHALL
COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND
PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF
STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN
ACCORDANCE WITH SECTION 24-75-226 (5).

27 **SECTION 7.** Appropriation. For the 2022-23 state fiscal year,

-12-

1 \$9,809,673 is appropriated to the department of human services for use 2 by the division of child welfare. This appropriation is from the behavioral 3 and mental health cash fund created in section 24-75-230 (2)(a), C.R.S., 4 and is of money the state received from the federal coronavirus state 5 fiscal recovery fund. The division may use this appropriation for respite 6 and residential programs. Any money appropriated in this section not 7 expended prior to July 1, 2023, is further appropriated to the division 8 from July 1, 2023, through December 30, 2024, for the same purpose. 9 These appropriations are based on the assumption that the office will 10 require 4.0 FTE in the 2022-23 state fiscal year and 4.0 FTE in the 11 2023-24 state fiscal year to implement the act.

12 **SECTION 8.** Appropriation. (1) For the 2022-23 state fiscal 13 year, \$7,500,000 is appropriated to the department of human services for 14 use by the behavioral health administration. This appropriation is from the 15 behavioral and mental health cash fund created in section 24-75-230 16 (2)(a), C.R.S., and is of money the state received from the federal 17 coronavirus state fiscal recovery fund. Any money appropriated in this 18 section not expended prior to July 1, 2023, is further appropriated to the 19 administration from July 1, 2023, through December 30, 2024, for the same purpose. To implement this act, the department may use this 20 21 appropriation as follows:

22

23 for adolescents pursuant to section 27-80-127, C.R.S.; and

24 (b) \$2,500,000 for crisis response system services.

SECTION 9. Appropriation. For the 2022-23 state fiscal year,
 \$539,926 is appropriated to the department of human services for use by
 the office of behavioral health. This appropriation is from the behavioral

(a) \$5,000,000 to expand substance use residential treatment beds

1 and mental health cash fund created in section 24-75-230 (2)(a), C.R.S., 2 and is of money the state received from the federal coronavirus state 3 fiscal recovery fund. The office may use this appropriation for building 4 maintenance costs associated with the youth neuro-psych facility at the 5 Colorado mental health institute at Fort Logan established pursuant to 6 section 27-94-107, C.R.S. Any money appropriated in this section not 7 expended prior to July 1, 2023, is further appropriated to the 8 administration from July 1, 2023, through December 30, 2024, for the 9 same purpose.

10 **SECTION 10.** Capital construction appropriation. For the 11 2022-23 state fiscal year, \$35,000,000 is appropriated to the department 12 of human services. This appropriation is from the behavioral and mental 13 health cash fund created in section 24-75-230 (2)(a), C.R.S., and is of 14 money the state received from the federal coronavirus state fiscal 15 recovery fund. To implement this act, the department may use this 16 appropriation for capital construction related to the construction of a 17 neuro-psych facility at the Colorado mental health institute at Fort Logan. 18 Any money appropriated in this section not expended prior to July 1, 19 2023, is further appropriated to the administration from July 1, 2023, 20 through December 30, 2024, for the same purpose.

SECTION 11. Safety clause. The general assembly hereby finds,
 determines, and declares that this act is necessary for the immediate
 preservation of the public peace, health, or safety.