

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 17-267

BY SENATOR(S) Sonnenberg and Guzman, Aguilar, Coram, Crowder, Donovan, Fenberg, Fields, Garcia, Jahn, Kagan, Kefalas, Kerr, Merrifield, Todd, Williams A.;

also REPRESENTATIVE(S) Becker K. and Becker J., Arndt, Bridges, Buckner, Catlin, Coleman, Covarrubias, Danielson, Esgar, Exum, Garnett, Ginal, Gray, Hamner, Hansen, Herod, Hooton, Jackson, Kennedy, Kraft-Tharp, Lee, Lontine, McLachlan, Melton, Michaelson Jenet, Mitsch Bush, Navarro, Pabon, Pettersen, Rankin, Rosenthal, Valdez, Weissman, Wilson, Winter, Young, Duran.

CONCERNING THE SUSTAINABILITY OF RURAL COLORADO.

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

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

(a) In comparison to the urban and suburban areas of the state, rural Colorado, on average and with some exceptions, faces complex demographic, economic, and geographical challenges including:

(I) An older population that requires more medical care;

(II) Less robust and diverse economic activity and associated lower average wages and household incomes; and

(III) Greater challenges, due to distance and less adequate transportation infrastructure, in accessing critical services such as health care; and

(b) The purpose of this legislation is to ensure and perpetuate the sustainability of rural Colorado by addressing some of these demographic, economic, and geographical challenges and by such other means as the general assembly, in its considered judgment, finds necessary and appropriate.

(2) The general assembly further finds and declares that the sustainability of rural Colorado is directly connected to the economic vitality of the state as a whole, and that all of the provisions of this act, including provisions that on their face apply to and affect all areas of the state but that especially benefit rural Colorado, relate to and serve and are necessarily and properly connected to the general assembly's purpose of ensuring and perpetuating the sustainability of rural Colorado.

SECTION 2. In Colorado Revised Statutes, **amend** 2-3-119 as follows:

2-3-119. Audit of healthcare affordability and sustainability fee - cost shift. ~~Starting with the second full state fiscal year following the receipt of the notice from the executive director of the department of health care policy and financing pursuant to section 25.5-4-402.3 (7), C.R.S., and thereafter~~ At the discretion of the legislative audit committee, the state auditor shall conduct or cause to be conducted a performance and fiscal audit of the ~~hospital-provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee established pursuant to ~~section 25.5-4-402.3, C.R.S.~~ SECTION 25.5-4-402.4.

SECTION 3. In Colorado Revised Statutes, 2-3-1203, **repeal** (8)(a)(V) as follows:

2-3-1203. Sunset review of advisory committees - legislative declaration - definition - repeal. (8) (a) The following statutory authorizations for the designated advisory committees will repeal on July

1, 2019:

(V) ~~The hospital provider fee oversight and advisory board created in section 25.5-4-402.3, C.R.S.;~~

SECTION 4. In Colorado Revised Statutes, **add** 22-54-139 as follows:

22-54-139. Additional funding for schools - use of retail marijuana sales tax revenue transferred to state public school fund - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "LARGE RURAL DISTRICT" MEANS A DISTRICT IN COLORADO THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ONE THOUSAND PUPILS OR MORE BUT FEWER THAN SIX THOUSAND FIVE HUNDRED PUPILS.

(b) "PER PUPIL DISTRIBUTION AMOUNT" MEANS:

(I) FOR A LARGE RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ALL LARGE RURAL DISTRICTS; AND

(II) FOR A SMALL RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ALL SMALL RURAL DISTRICTS;

(c) "SMALL RURAL DISTRICT" MEANS A DISTRICT IN COLORADO THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF FEWER THAN ONE THOUSAND PUPILS.

(2) FOR THE 2017-18 BUDGET YEAR, ALL OF THE GROSS RETAIL MARIJUANA SALES TAX PROCEEDS TRANSFERRED FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) AS REQUIRED BY SECTION 39-28.8-203 (1)(b)(I.3)(B) IS APPROPRIATED FROM THE STATE PUBLIC SCHOOL FUND TO THE DEPARTMENT FOR MONTHLY DISTRIBUTION TO EACH LARGE RURAL DISTRICT AND EACH SMALL RURAL DISTRICT FOR THE PURPOSE OF IMPROVING STUDENT LEARNING AND THE EDUCATIONAL ENVIRONMENT, INCLUDING BUT NOT LIMITED TO LOAN FORGIVENESS FOR EDUCATORS AND STAFF, TECHNOLOGY, AND TRANSPORTATION, AS FOLLOWS:

(a) FIFTY-FIVE PERCENT OF THE MONEY IS ALLOCATED TO LARGE RURAL DISTRICTS AND DISTRIBUTED TO EACH LARGE RURAL DISTRICT IN AN AMOUNT EQUAL TO THE PER PUPIL DISTRIBUTION AMOUNT MULTIPLIED BY THE LARGE RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR FOR PROPORTIONAL APPORTIONMENT TO EVERY SCHOOL IN THE DISTRICT BASED ON THE NUMBER OF STUDENTS ENROLLED IN EACH SCHOOL FOR THE PRIOR BUDGET YEAR; AND

(b) FORTY-FIVE PERCENT OF THE MONEY IS ALLOCATED TO SMALL RURAL SCHOOL DISTRICTS AND DISTRIBUTED TO EACH SMALL RURAL DISTRICT IN AN AMOUNT EQUAL TO THE PER PUPIL DISTRIBUTION AMOUNT MULTIPLIED BY THE SMALL RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR FOR PROPORTIONAL APPORTIONMENT TO EVERY SCHOOL IN THE DISTRICT BASED ON THE NUMBER OF STUDENTS ENROLLED IN EACH SCHOOL FOR THE PRIOR BUDGET YEAR.

(3) FOR THE 2018-19 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, ALL OF THE GROSS RETAIL MARIJUANA SALES TAX PROCEEDS TRANSFERRED FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) AS REQUIRED BY SECTION 39-28.8-203 (1)(b)(I.5)(B) IS APPROPRIATED FROM THE STATE PUBLIC SCHOOL FUND TO THE DEPARTMENT TO MEET THE STATE'S SHARE OF THE TOTAL PROGRAM OF ALL DISTRICTS AND FUNDING FOR INSTITUTE CHARTER SCHOOLS.

SECTION 5. In Colorado Revised Statutes, 23-1-106, **amend** (10.2)(a) as follows:

23-1-106. Duties and powers of the commission with respect to

capital construction and long-range planning - legislative declaration - definitions. (10.2) (a) (I) Notwithstanding any law to the contrary AND EXCEPT AS PROVIDED IN SUBSECTION (10.2)(a)(III) OF THIS SECTION, all academic facilities acquired or constructed, or an auxiliary facility repurposed for use as an academic facility, solely from cash funds held by the state institution of higher education and operated and maintained from such cash funds or from state ~~moneys~~ MONEY appropriated for such purpose, or both, including, but not limited to, those facilities described in ~~paragraph (b) of subsection (9)~~ SUBSECTION (9)(b) of this section, that did not previously qualify for state controlled maintenance funding will qualify for state controlled maintenance funding, subject to funding approval by the capital development committee and the eligibility guidelines described in section 24-30-1303.9. ~~C.R.S.~~

(II) For purposes of this ~~paragraph (a)~~ SUBSECTION (10.2)(a), the eligibility for state controlled maintenance funding commences on the date of the acceptance of the construction or repurposing of the facility or the closing date of any acquisition. The date of the acceptance of construction or repurposing shall be determined by the office of the state architect.

(III) IF AN ACADEMIC FACILITY IS ACQUIRED OR CONSTRUCTED, OR IF AN AUXILIARY FACILITY IS REPURPOSED FOR USE AS AN ACADEMIC FACILITY, SOLELY FROM CASH FUNDS HELD BY THE STATE INSTITUTION OF HIGHER EDUCATION AND OPERATED AND MAINTAINED FROM SUCH CASH FUNDS, THEN AS OF THE DATE OF THE ACCEPTANCE OF CONSTRUCTION OR REPURPOSING THAT OCCURS ON OR AFTER JULY 1, 2018, THE FACILITY IS NOT ELIGIBLE FOR CONTROLLED MAINTENANCE FUNDING.

SECTION 6. In Colorado Revised Statutes, 24-1-119.5, **add** (9) as follows:

24-1-119.5. Department of health care policy and financing - creation. (9) THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS AS IF THE SAME WERE TRANSFERRED BY A **TYPE 2** TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

SECTION 7. In Colorado Revised Statutes, 24-4-103, **amend** (8)(c)(I) as follows:

24-4-103. Rule-making - procedure - definitions - repeal.

(8) (c) (I) Notwithstanding any other provision of law to the contrary and the provisions of section 24-4-107, all rules adopted or amended on or after January 1, 1993, and before November 1, 1993, ~~shall~~ expire at 11:59 p.m. on May 15 of the year following their adoption unless the general assembly by bill acts to postpone the expiration of a specific rule, and commencing with rules adopted or amended on or after November 1, 1993, all rules adopted or amended during any one-year period that begins each November 1 and continues through the following October 31 ~~shall~~ expire at 11:59 p.m. on the May 15 that follows such one-year period unless the general assembly by bill acts to postpone the expiration of a specific rule; except that a rule adopted pursuant to ~~section 25.5-4-402.3 (5) (b) (III), C.R.S.,~~ ~~shall expire~~ SECTION 25.5-4-402.4 (6)(b)(III) EXPIRES at 11:59 p.m. on the May 15 following the adoption of the rule unless the general assembly acts by bill to postpone the expiration of a specific rule. The general assembly, in its discretion, may postpone such expiration, in which case, the provisions of section 24-4-108 or 24-34-104 ~~shall~~ apply, and the rules ~~shall~~ expire or ~~be~~ ARE subject to review as provided in ~~said~~ THOSE sections. The postponement of the expiration of a rule ~~shall~~ DOES not constitute legislative approval of the rule ~~nor be~~ AND IS NOT admissible in any court as evidence of legislative intent. The postponement of the expiration date of a specific rule ~~shall~~ DOES not prohibit any action by the general assembly pursuant to the provisions of ~~paragraph (d) of this subsection (8)~~ SUBSECTION (8)(d) OF THIS SECTION with respect to ~~such~~ THE rule.

SECTION 8. In Colorado Revised Statutes, 24-30-1303.9, **amend** (7)(a)(II), (7)(a)(III), and (7)(a)(IV); and **add** (7)(a)(V) as follows:

24-30-1303.9. Eligibility for state controlled maintenance funding - legislative declaration. (7) (a) Controlled maintenance funds may not be used for:

(II) Auxiliary facilities as defined in section 23-1-106 (10.3); ~~C.R.S.;~~

(III) Leasehold interests in real property; ~~or~~

(IV) Any work properly categorized as capital construction; OR

(V) FACILITIES DESCRIBED IN SECTION 23-1-106 (10.2)(a)(III).

SECTION 9. In Colorado Revised Statutes, **add** 24-37-305 as follows:

24-37-305. 2018-19 fiscal year - required reductions in departmental and executive branch budget requests. (1) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION, FOR THE 2018-19 BUDGET YEAR, EACH PRINCIPAL DEPARTMENT OF STATE GOVERNMENT THAT SUBMITS A BUDGET REQUEST TO THE OFFICE OF STATE PLANNING AND BUDGETING SHALL REQUEST, WHEN SUBMITTING THE BUDGET REQUEST, A TOTAL BUDGET FOR THE DEPARTMENT THAT IS AT LEAST TWO PERCENT LOWER THAN ITS ACTUAL BUDGET FOR THE 2017-18 FISCAL YEAR.

(b) THE REQUIREMENT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION DOES NOT APPLY TO THE DEPARTMENT OF EDUCATION CREATED IN SECTION 24-1-115 (1) OR THE DEPARTMENT OF TRANSPORTATION CREATED IN SECTION 24-1-128.7 (1).

(2) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL STRONGLY CONSIDER THE BUDGET REDUCTION PROPOSALS MADE BY EACH PRINCIPAL DEPARTMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION WHEN PREPARING THE ANNUAL EXECUTIVE BUDGET PROPOSALS TO THE GENERAL ASSEMBLY FOR THE GOVERNOR AS REQUIRED BY SECTION 24-37-302 (1)(g) AND SHALL SEEK TO ENSURE, SUBJECT TO SECTION 24-37-303, THAT THE EXECUTIVE BUDGET PROPOSAL FOR EACH DEPARTMENT IS AT LEAST TWO PERCENT LOWER THAN THE DEPARTMENT'S ACTUAL BUDGET FOR THE 2017-18 FISCAL YEAR.

SECTION 10. In Colorado Revised Statutes, 24-75-219, **repeal as added by Senate Bill 17-262** (2)(c.3)(I) and (2)(c.7)(I) as follows:

24-75-219. Transfers - transportation - capital construction - definitions. (2)(c.3) On June 30, 2019, the state treasurer shall transfer:

(I) ~~One hundred sixty million dollars from the general fund to the highway users tax fund; and~~

(c.7) On June 30, 2020, the state treasurer shall transfer:

(I) ~~One hundred sixty million dollars from the general fund to the~~

~~highway users tax fund; and~~

SECTION 11. In Colorado Revised Statutes, 24-77-103.6, **amend** (6)(b)(I) as follows:

24-77-103.6. Retention of excess state revenues - general fund exempt account - required uses - excess state revenues legislative report. (6) As used in this section:

(b) (I) "Excess state revenues cap" for a given fiscal year means: ~~either of the following:~~

~~(A) If the voters of the state approve a ballot issue to authorize the state to incur multiple-fiscal year obligations at the November 2005 statewide election, an amount that is equal to the highest total state revenues for a fiscal year from the period of the 2005-06 fiscal year through the 2009-10 fiscal year, adjusted each subsequent fiscal year for inflation and the percentage change in state population, plus one hundred million dollars, and adjusting such sum for the qualification or disqualification of enterprises and debt service changes; or~~

~~(B) If the voters of the state do not approve a ballot issue to authorize the state to incur multiple-fiscal year obligations at the November 2005 statewide election, FOR EACH FISCAL YEAR UP TO AND INCLUDING THE 2016-17 FISCAL YEAR, an amount that is equal to the highest total state revenues for a fiscal year from the period of the 2005-06 fiscal year through the 2009-10 fiscal year, adjusted each subsequent fiscal year for inflation, the percentage change in state population, the qualification or disqualification of enterprises, and debt service changes;~~

(C) FOR THE 2017-18 FISCAL YEAR, AN AMOUNT THAT IS EQUAL TO THE EXCESS STATE REVENUES CAP FOR THE 2016-17 FISCAL YEAR CALCULATED PURSUANT TO SUBSECTION (6)(b)(I)(B) OF THIS SECTION, ADJUSTED FOR INFLATION, THE PERCENTAGE CHANGE IN STATE POPULATION, THE QUALIFICATION OR DISQUALIFICATION OF ENTERPRISES, AND DEBT SERVICE CHANGES, LESS TWO HUNDRED MILLION DOLLARS; AND

(D) FOR THE 2018-19 FISCAL YEAR AND EACH SUCCEEDING FISCAL YEAR, THE AMOUNT OF THE EXCESS STATE REVENUES CAP FOR THE 2017-18 FISCAL YEAR CALCULATED PURSUANT TO SUBSECTION (6)(b)(I)(C) OF THIS

SECTION, ADJUSTED EACH SUBSEQUENT FISCAL YEAR FOR INFLATION, THE PERCENTAGE CHANGE IN STATE POPULATION, THE QUALIFICATION OR DISQUALIFICATION OF ENTERPRISES, AND DEBT SERVICE CHANGES.

SECTION 12. In Colorado Revised Statutes, **add** part 13 to article 82 of title 24 as follows:

PART 13
LEASE-PURCHASE AGREEMENTS FOR STATE PROPERTY

24-82-1301. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) DUE TO INSUFFICIENT FUNDING, NECESSARY HIGH-PRIORITY STATE HIGHWAY PROJECTS AND STATE CAPITAL CONSTRUCTION PROJECTS, INCLUDING PROJECTS AT STATE INSTITUTIONS OF HIGHER EDUCATION, IN ALL AREAS OF THE STATE HAVE BEEN DELAYED, AND THE STATE HAS ALSO DELAYED CRITICAL CONTROLLED MAINTENANCE AND UPKEEP OF STATE CAPITAL ASSETS;

(b) BY ISSUING LEASE-PURCHASE AGREEMENTS USING STATE BUILDINGS AS COLLATERAL AS AUTHORIZED BY THIS PART 13, THE STATE CAN GENERATE SUFFICIENT FUNDS TO ACCELERATE THE COMPLETION OF MANY OF THE NECESSARY HIGH-PRIORITY STATE HIGHWAY PROJECTS AND CAPITAL CONSTRUCTION PROJECTS THAT HAVE BEEN DELAYED AND BETTER MAINTAIN AND PRESERVE EXISTING STATE CAPITAL ASSETS;

(c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A MAJORITY OF THE ADDITIONAL FUNDING FOR STATE CAPITAL CONSTRUCTION PROJECTS REALIZED FROM ISSUING LEASE-PURCHASE AGREEMENTS BE USED FOR CONTROLLED MAINTENANCE AND UPKEEP OF STATE CAPITAL ASSETS.

24-82-1302. Definitions. AS USED IN THIS PART 13, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CAPITAL CONSTRUCTION" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-30-1301 (2).

(2) "CONTROLLED MAINTENANCE" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-30-1301 (4).

(3) "ELIGIBLE STATE FACILITY" MEANS ANY FINANCIALLY UNENCUMBERED BUILDING, STRUCTURE, OR FACILITY THAT IS OWNED BY THE STATE, INCLUDING A BUILDING, STRUCTURE, OR FACILITY DETERMINED TO BE ELIGIBLE BY A GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION, AND DOES NOT INCLUDE ANY BUILDING, STRUCTURE, OR FACILITY THAT IS PART OF THE STATE EMERGENCY RESERVE FOR ANY STATE FISCAL YEAR AS DESIGNATED IN THE ANNUAL GENERAL APPROPRIATION ACT.

(4) "STATE INSTITUTION OF HIGHER EDUCATION" MEANS A STATE INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (10), AND THE AURARIA HIGHER EDUCATION CENTER CREATED IN ARTICLE 70 OF TITLE 23.

24-82-1303. Lease-purchase agreements for capital construction and transportation projects. (1) ON OR BEFORE DECEMBER 31, 2017, THE STATE ARCHITECT, THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND BUDGETING OR HIS OR HER DESIGNEE, AND THE STATE INSTITUTIONS OF HIGHER EDUCATION SHALL IDENTIFY AND PREPARE A COLLABORATIVE LIST OF ELIGIBLE STATE FACILITIES THAT CAN BE COLLATERALIZED AS PART OF THE LEASE-PURCHASE AGREEMENTS FOR CAPITAL CONSTRUCTION AND TRANSPORTATION PROJECTS AUTHORIZED IN THIS PART 13. THE TOTAL CURRENT REPLACEMENT VALUE OF THE IDENTIFIED BUILDINGS MUST EQUAL AT LEAST TWO BILLION DOLLARS.

(2)(a) NOTWITHSTANDING THE PROVISIONS OF SECTIONS 24-82-102 (1)(b) AND 24-82-801, AND PURSUANT TO SECTION 24-36-121, NO SOONER THAN JULY 1, 2018, THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, SHALL EXECUTE LEASE-PURCHASE AGREEMENTS, EACH FOR NO MORE THAN TWENTY YEARS OF ANNUAL PAYMENTS, FOR THE PROJECTS DESCRIBED IN SUBSECTION (4) OF THIS SECTION. THE STATE SHALL EXECUTE THE LEASE-PURCHASE AGREEMENTS ONLY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

(I) DURING THE 2018-19 STATE FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS;

(II) DURING THE 2019-20 STATE FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE

HUNDRED MILLION DOLLARS;

(III) DURING THE 2020-21 STATE FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS; AND

(IV) DURING THE 2021-22 FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS.

(b) THE ANTICIPATED ANNUAL STATE-FUNDED PAYMENTS FOR THE PRINCIPAL AND INTEREST COMPONENTS OF THE AMOUNT PAYABLE UNDER ALL LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION SHALL NOT EXCEED ONE HUNDRED FIFTY MILLION DOLLARS.

(c) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, AT THE STATE TREASURER'S SOLE DISCRETION, MAY ENTER INTO ONE OR MORE LEASE-PURCHASE AGREEMENTS AUTHORIZED BY SUBSECTION (2)(a) OF THIS SECTION WITH ANY FOR-PROFIT OR NONPROFIT CORPORATION, TRUST, OR COMMERCIAL BANK AS A TRUSTEE AS THE LESSOR.

(d) ANY LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION SHALL PROVIDE THAT ALL OF THE OBLIGATIONS OF THE STATE UNDER THE AGREEMENT ARE SUBJECT TO THE ACTION OF THE GENERAL ASSEMBLY IN ANNUALLY MAKING MONEY AVAILABLE FOR ALL PAYMENTS THEREUNDER. PAYMENTS UNDER ANY LEASE-PURCHASE AGREEMENT MUST BE MADE, SUBJECT TO ANNUAL ALLOCATION PURSUANT TO SECTION 43-1-113 BY THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1) OR SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AS APPLICABLE, FROM THE FOLLOWING SOURCES OF MONEY:

(I) FIRST, NINE MILLION DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM THE GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY FOR THE PURPOSE OF FULLY FUNDING THE CONTROLLED MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(a) OF THIS SECTION;

(II) NEXT, FIFTY MILLION DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM ANY LEGALLY AVAILABLE MONEY UNDER THE CONTROL OF THE TRANSPORTATION COMMISSION SOLELY FOR THE PURPOSE OF ALLOWING THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF STATE HIGHWAYS TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION AND SECTION 43-4-206 (1)(b)(V); AND

(III) THE REMAINDER OF THE AMOUNT NEEDED, IN ADDITION TO THE AMOUNTS SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION, TO MAKE EACH FULL PAYMENT DUE SHALL BE PAID FROM THE GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY.

(e) EACH AGREEMENT MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20(4) OF ARTICLE X OF THE STATE CONSTITUTION. IF THE STATE DOES NOT RENEW A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION, THE SOLE SECURITY AVAILABLE TO THE LESSOR IS THE PROPERTY THAT IS THE SUBJECT OF THE NONRENEWED LEASE-PURCHASE AGREEMENT.

(f) A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION MAY CONTAIN SUCH TERMS, PROVISIONS, AND CONDITIONS AS THE STATE TREASURER, ACTING ON BEHALF OF THE STATE, DEEMS APPROPRIATE, INCLUDING ALL OPTIONAL TERMS; EXCEPT THAT EACH LEASE-PURCHASE AGREEMENT MUST SPECIFICALLY AUTHORIZE THE STATE OR THE GOVERNING BOARD OF THE APPLICABLE STATE INSTITUTION OF HIGHER EDUCATION TO RECEIVE FEE TITLE TO ALL REAL AND PERSONAL PROPERTY THAT IS THE SUBJECT OF THE LEASE-PURCHASE AGREEMENT ON OR BEFORE THE EXPIRATION OF THE TERMS OF THE AGREEMENT.

(g) ANY LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION MAY PROVIDE FOR THE ISSUANCE, DISTRIBUTION, AND SALE OF INSTRUMENTS EVIDENCING RIGHTS TO RECEIVE RENTALS AND OTHER PAYMENTS MADE AND TO BE MADE UNDER THE

LEASE-PURCHASE AGREEMENT. THE INSTRUMENTS MAY BE ISSUED, DISTRIBUTED, OR SOLD ONLY BY THE LESSOR OR ANY PERSON DESIGNATED BY THE LESSOR AND NOT BY THE STATE. THE INSTRUMENTS DO NOT CREATE A RELATIONSHIP BETWEEN THE PURCHASERS OF THE INSTRUMENTS AND THE STATE OR CREATE ANY OBLIGATION ON THE PART OF THE STATE TO THE PURCHASERS. THE INSTRUMENTS ARE NOT NOTES, BONDS, OR ANY OTHER EVIDENCE OF STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION.

(h) INTEREST PAID UNDER A LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION, INCLUDING INTEREST REPRESENTED BY THE INSTRUMENTS, IS EXEMPT FROM COLORADO INCOME TAX.

(i) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND THE GOVERNING BOARDS OF THE INSTITUTIONS OF HIGHER EDUCATION, IS AUTHORIZED TO ENTER INTO ANCILLARY AGREEMENTS AND INSTRUMENTS THAT ARE NECESSARY OR APPROPRIATE IN CONNECTION WITH A LEASE-PURCHASE AGREEMENT, INCLUDING BUT NOT LIMITED TO DEEDS, GROUND LEASES, SUB-LEASES, EASEMENTS, OR OTHER INSTRUMENTS RELATING TO THE REAL PROPERTY ON WHICH THE FACILITIES ARE LOCATED.

(j) THE PROVISIONS OF SECTION 24-30-202 (5)(b) DO NOT APPLY TO A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY OR TO ANY ANCILLARY AGREEMENT OR INSTRUMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (2). THE STATE CONTROLLER OR HIS OR HER DESIGNEE SHALL WAIVE ANY PROVISION OF THE FISCAL RULES PROMULGATED PURSUANT TO SECTION 24-30-202 (1) AND (13) THAT THE STATE CONTROLLER FINDS INCOMPATIBLE OR INAPPLICABLE WITH RESPECT TO A LEASE-PURCHASE AGREEMENT OR AN ANCILLARY AGREEMENT OR INSTRUMENT.

(3) (a) BEFORE EXECUTING A LEASE-PURCHASE AGREEMENT REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION, IN ORDER TO PROTECT AGAINST FUTURE INTEREST RATE INCREASES, THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND AT THE DISCRETION OF THE STATE TREASURER, MAY ENTER INTO AN INTEREST RATE EXCHANGE AGREEMENT

PURSUANT TO ARTICLE 59.3 OF TITLE 11. A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION IS A PROPOSED PUBLIC SECURITY FOR THE PURPOSES OF ARTICLE 59.3 OF TITLE 11. ANY PAYMENTS MADE BY THE STATE UNDER AN AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) MUST BE MADE SOLELY FROM MONEY MADE AVAILABLE TO THE STATE TREASURER FROM THE EXECUTION OF A LEASE-PURCHASE AGREEMENT OR FROM MONEY DESCRIBED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION.

(b) ANY AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION.

(c) ANY MONEY RECEIVED BY THE STATE UNDER AN AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) SHALL BE USED TO MAKE PAYMENTS ON LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO SUBSECTION (2) OF THIS SECTION OR TO PAY THE COSTS OF THE PROJECT FOR WHICH A LEASE-PURCHASE AGREEMENT WAS EXECUTED.

(4) PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION SHALL BE USED AS FOLLOWS:

(a) (I) THE FIRST ONE HUNDRED TWENTY MILLION DOLLARS OF THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS ISSUED DURING THE 2018-19 STATE FISCAL YEAR SHALL BE USED FOR CONTROLLED MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE AS FOLLOWS:

(A) THIRTEEN MILLION SIX THOUSAND EIGHTY-ONE DOLLARS FOR LEVEL I CONTROLLED MAINTENANCE;

(B) SIXTY MILLION SIX HUNDRED THIRTY-SEVEN THOUSAND THREE HUNDRED FIVE DOLLARS FOR LEVEL II CONTROLLED MAINTENANCE;

(C) FORTY MILLION TWO HUNDRED NINE THOUSAND FIVE HUNDRED THIRTY-FIVE DOLLARS FOR LEVEL III CONTROLLED MAINTENANCE; AND

(D) THE REMAINDER FOR CAPITAL CONSTRUCTION PROJECTS AS PRIORITIZED BY THE CAPITAL DEVELOPMENT COMMITTEE.

(II) THE CAPITAL DEVELOPMENT COMMITTEE SHALL POST THE LIST OF SPECIFIC CONTROLLED MAINTENANCE PROJECTS AND THE COST OF EACH PROJECT FUNDED PURSUANT TO SUBSECTION (4)(a)(I)(A), (4)(a)(I)(B), or (4)(a)(I)(C) OF THIS SECTION ON ITS OFFICIAL WEBSITE NO LATER THAN MAY 11, 2017.

(b) THE REMAINDER OF THE PROCEEDS SHALL BE CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 AND USED BY THE DEPARTMENT OF TRANSPORTATION IN ACCORDANCE WITH SECTION 43-4-206 (1)(b)(V).

SECTION 13. In Colorado Revised Statutes, 25.5-3-108, **amend** (17) as follows:

25.5-3-108. Responsibility of the department of health care policy and financing - provider reimbursement. (17) Subject to adequate funding BEING made available under ~~section 25.5-4-402.3~~ SECTION 25.5-4-402.4, the ~~state department~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) shall increase hospital reimbursements up to one hundred percent of hospital costs for providing medical care under the program.

SECTION 14. In Colorado Revised Statutes, 25.5-4-209, **amend** (1)(b); and **add** (1)(c) and (1)(d) as follows:

25.5-4-209. Payments by third parties - copayments by recipients - review - appeal - children's waiting list reduction fund. (1) (b) Subject to any limitations imposed by Title XIX AND THE REQUIREMENTS SET FORTH IN SUBSECTION (1)(c) OF THIS SECTION, a recipient ~~shall be required to~~ MUST pay at the time of service a portion of the cost of any medical benefit rendered to the recipient or to the recipient's dependents pursuant to this ~~article~~ ARTICLE 4 or article 5 or 6 of this ~~title~~ TITLE 25.5, as determined by ~~rule~~ RULES of the state department.

(c) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(c)(II) OF THIS SECTION, ON AND AFTER JANUARY 1, 2018, FOR PHARMACY AND FOR HOSPITAL OUTPATIENT SERVICES, INCLUDING URGENT CARE CENTERS

AND FACILITIES AND EMERGENCY SERVICES, THE RULES OF THE STATE DEPARTMENT REQUIRED BY SUBSECTION (1)(b) OF THIS SECTION MUST REQUIRE THE RECIPIENT TO PAY:

(A) FOR PHARMACY, AT LEAST DOUBLE THE AVERAGE AMOUNT PAID BY RECIPIENTS IN STATE FISCAL YEAR 2015-16; OR

(B) FOR HOSPITAL OUTPATIENT SERVICES, AT LEAST DOUBLE THE AMOUNT REQUIRED TO BE PAID AS SPECIFIED IN THE RULES AS OF JANUARY 1, 2017.

(II) FOR BOTH PHARMACY AND HOSPITAL OUTPATIENT SERVICES, THE AMOUNT REQUIRED TO BE PAID BY THE RECIPIENT SHALL NOT EXCEED ANY SPECIFIED MAXIMUM DOLLAR AMOUNT ALLOWED BY FEDERAL LAW OR REGULATIONS AS OF JANUARY 1, 2017.

(d) THE STATE DEPARTMENT SHALL EVALUATE OPTIONS TO EXEMPT INDIVIDUALS WHO ARE QUALIFIED FOR INSTITUTIONAL CARE BUT ARE INSTEAD ENROLLED IN HOME- AND COMMUNITY-BASED SERVICE WAIVERS FROM THE INCREASED PAYMENT REQUIREMENTS SPECIFIED IN SUBSECTION (1)(c) OF THIS SECTION.

SECTION 15. In Colorado Revised Statutes, 25.5-4-402, **amend** (3)(a) as follows:

25.5-4-402. Providers - hospital reimbursement - rules.

(3) (a) In addition to the reimbursement rate process described in subsection (1) of this section and subject to adequate funding BEING made available pursuant to ~~section 25.5-4-402.3~~ SECTION 25.5-4-402.4, the ~~state department~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) shall pay an additional amount based upon performance to those hospitals that provide services that improve health care outcomes for their patients. ~~This amount shall be determined by~~ The state department SHALL DETERMINE THIS AMOUNT based upon nationally recognized performance measures established in rules adopted by the state board. The state quality standards ~~shall~~ MUST be consistent with federal quality standards published by an organization with expertise in health care quality, including but not limited to, the centers for medicare and medicaid services, the agency for healthcare research and quality, or the national quality forum.

SECTION 16. In Colorado Revised Statutes, **repeal as amended by Senate Bill 17-256** 25.5-4-402.3.

SECTION 17. In Colorado Revised Statutes, **add** 25.5-4-402.4 as follows:

25.5-4-402.4. Hospitals - healthcare affordability and sustainability fee - legislative declaration - Colorado healthcare affordability and sustainability enterprise - federal waiver - fund created - rules. (1) **Short title.** THE SHORT TITLE OF THIS SECTION IS THE "COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE ACT OF 2017".

(2) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE STATE AND THE PROVIDERS OF PUBLICLY FUNDED MEDICAL SERVICES, AND HOSPITALS IN PARTICULAR, SHARE A COMMON COMMITMENT TO COMPREHENSIVE HEALTH CARE REFORM;

(b) HOSPITALS WITHIN THE STATE INCUR SIGNIFICANT COSTS BY PROVIDING UNCOMPENSATED EMERGENCY DEPARTMENT CARE AND OTHER UNCOMPENSATED MEDICAL SERVICES TO LOW-INCOME AND UNINSURED POPULATIONS;

(c) THIS SECTION IS ENACTED AS PART OF A COMPREHENSIVE HEALTH CARE REFORM AND IS INTENDED TO PROVIDE THE FOLLOWING SERVICES AND BENEFITS TO HOSPITALS AND INDIVIDUALS:

(I) PROVIDING A PAYER SOURCE FOR SOME LOW-INCOME AND UNINSURED POPULATIONS WHO MAY OTHERWISE BE CARED FOR IN EMERGENCY DEPARTMENTS AND OTHER SETTINGS IN WHICH UNCOMPENSATED CARE IS PROVIDED;

(II) REDUCING THE UNDERPAYMENT TO COLORADO HOSPITALS PARTICIPATING IN PUBLICLY FUNDED HEALTH INSURANCE PROGRAMS;

(III) REDUCING THE NUMBER OF PERSONS IN COLORADO WHO ARE WITHOUT HEALTH CARE BENEFITS;

(IV) REDUCING THE NEED OF HOSPITALS AND OTHER HEALTH CARE PROVIDERS TO SHIFT THE COST OF PROVIDING UNCOMPENSATED CARE TO OTHER PAYERS;

(V) EXPANDING ACCESS TO HIGH-QUALITY, AFFORDABLE HEALTH CARE FOR LOW-INCOME AND UNINSURED POPULATIONS; AND

(VI) PROVIDING THE ADDITIONAL BUSINESS SERVICES SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION TO HOSPITALS THAT PAY THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND COLLECTED AS AUTHORIZED BY SUBSECTION (4) OF THIS SECTION BY THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SUBSECTION (3)(a) OF THIS SECTION;

(d) THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE PROVIDES BUSINESS SERVICES TO HOSPITALS WHEN, IN EXCHANGE FOR PAYMENT OF HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEES BY HOSPITALS, IT:

(I) OBTAINS FEDERAL MATCHING MONEY AND RETURNS BOTH THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE FEDERAL MATCHING MONEY TO HOSPITALS TO INCREASE REIMBURSEMENT RATES TO HOSPITALS FOR PROVIDING MEDICAL CARE UNDER THE STATE MEDICAL ASSISTANCE PROGRAM AND THE COLORADO INDIGENT CARE PROGRAM AND TO INCREASE THE NUMBER OF INDIVIDUALS COVERED BY PUBLIC MEDICAL ASSISTANCE; AND

(II) PROVIDES ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION;

(e) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF THE STATE TO ACKNOWLEDGE THAT BY PROVIDING THE BUSINESS SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION, THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE ENGAGES IN AN ACTIVITY CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD AND THEREFORE OPERATES AS A BUSINESS;

(f) CONSISTENT WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN *NICHOLL v. E-470 PUBLIC HIGHWAY AUTHORITY*, 896 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS

INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL ASSEMBLY THAT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND COLLECTED BY THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE IS A FEE, NOT A TAX, BECAUSE THE FEE IS IMPOSED FOR THE SPECIFIC PURPOSES OF ALLOWING THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE BUSINESS SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION TO HOSPITALS THAT PAY THE FEE AND IS COLLECTED AT RATES THAT ARE REASONABLY CALCULATED BASED ON THE BENEFITS RECEIVED BY THOSE HOSPITALS; AND

(g) SO LONG AS THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUES FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND COLLECTED BY THE ENTERPRISE ARE NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DO NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I).

(3) (a) **Colorado healthcare affordability and sustainability enterprise.** THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE, REFERRED TO IN THIS SECTION AS THE "ENTERPRISE", IS CREATED. THE ENTERPRISE IS AND OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE STATE DEPARTMENT FOR THE PURPOSE OF CHARGING AND COLLECTING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, LEVERAGING HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE TO OBTAIN FEDERAL MATCHING MONEY, AND UTILIZING AND DEPLOYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE AND FEDERAL MATCHING MONEY TO PROVIDE THE BUSINESS SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION TO HOSPITALS THAT PAY THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE.

(b) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS

THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3)(b), THE ENTERPRISE IS NOT SUBJECT TO ANY PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(c) (I) THE REPEAL OF THE HOSPITAL PROVIDER FEE PROGRAM, AS IT EXISTED PURSUANT TO SECTION 25.5-4-402.3 BEFORE ITS REPEAL, EFFECTIVE JULY 1, 2017, BY SENATE BILL 17-267, ENACTED IN 2017, AND THE CREATION OF THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE AS A NEW ENTERPRISE TO CHARGE AND COLLECT A NEW HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS AUTHORIZED BY SUBSECTION (4) OF THIS SECTION AND PROVIDE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE-FUNDED BUSINESS SERVICES TO HOSPITALS THAT REPLACE AND SUPPLEMENT SERVICES PREVIOUSLY FUNDED BY HOSPITAL PROVIDER FEES IS THE CREATION OF A NEW GOVERNMENT-OWNED BUSINESS THAT PROVIDES BUSINESS SERVICES TO HOSPITALS AS A NEW ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, DOES NOT CONSTITUTE THE QUALIFICATION OF AN EXISTING GOVERNMENT-OWNED BUSINESS AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR SECTION 24-77-103.6 (6)(b)(II), AND, THEREFORE, DOES NOT REQUIRE OR AUTHORIZE ADJUSTMENT OF THE STATE FISCAL YEAR SPENDING LIMIT CALCULATED PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I).

(II) NOTWITHSTANDING SUBSECTION (3)(c)(I) OF THIS SECTION, BECAUSE THE REPEAL OF THE HOSPITAL PROVIDER FEE PROGRAM, AS IT EXISTED PURSUANT TO SECTION 25.5-4-402.3 BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017, WILL ALLOW THE STATE TO SPEND MORE GENERAL FUND MONEY FOR GENERAL GOVERNMENTAL PURPOSES THAN IT WOULD OTHERWISE BE ABLE TO SPEND BELOW THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I), IT IS APPROPRIATE TO RESTRAIN THE GROWTH OF GOVERNMENT BY LOWERING THE BASE AMOUNT USED TO CALCULATE THE EXCESS STATE REVENUES CAP FOR THE 2017-18 STATE FISCAL YEAR BY TWO HUNDRED MILLION DOLLARS.

(d) THE ENTERPRISE'S PRIMARY POWERS AND DUTIES ARE:

(I) TO CHARGE AND COLLECT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS SPECIFIED IN SUBSECTION (4) OF THIS SECTION;

(II) TO LEVERAGE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE COLLECTED TO OBTAIN FEDERAL MATCHING MONEY, WORKING WITH OR THROUGH THE STATE DEPARTMENT AND THE STATE BOARD TO THE EXTENT REQUIRED BY FEDERAL LAW OR OTHERWISE NECESSARY;

(III) TO EXPEND HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE, MATCHING FEDERAL MONEY, AND ANY OTHER MONEY FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH FUND AS SPECIFIED IN SUBSECTIONS (4) AND (5) OF THIS SECTION;

(IV) TO ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES OF THE ENTERPRISE;

(V) TO ENTER INTO AGREEMENTS WITH THE STATE DEPARTMENT TO THE EXTENT NECESSARY TO COLLECT AND EXPEND HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE;

(VI) TO ENGAGE THE SERVICES OF PRIVATE PERSONS OR ENTITIES SERVING AS CONTRACTORS, CONSULTANTS, AND LEGAL COUNSEL FOR PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE, INCLUDING THE PROVISION OF ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION; AND

(VII) TO ADOPT AND AMEND OR REPEAL POLICIES FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS CONSISTENT WITH THE PROVISIONS OF THIS SECTION.

(e) THE ENTERPRISE SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AS IF THE SAME WERE TRANSFERRED TO THE STATE DEPARTMENT BY A **TYPE 2** TRANSFER, AS DEFINED IN SECTION 24-1-105.

(4) Healthcare affordability and sustainability fee. (a) FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND FOR EACH FISCAL YEAR THEREAFTER, THE ENTERPRISE IS AUTHORIZED TO CHARGE AND COLLECT A HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, AS DESCRIBED IN

42 CFR 433.68 (b), ON OUTPATIENT AND INPATIENT SERVICES PROVIDED BY ALL LICENSED OR CERTIFIED HOSPITALS, REFERRED TO IN THIS SECTION AS "HOSPITALS", FOR THE PURPOSE OF OBTAINING FEDERAL FINANCIAL PARTICIPATION UNDER THE STATE MEDICAL ASSISTANCE PROGRAM AS DESCRIBED IN THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5, REFERRED TO IN THIS SECTION AS THE "STATE MEDICAL ASSISTANCE PROGRAM", AND THE COLORADO INDIGENT CARE PROGRAM DESCRIBED IN PART 1 OF ARTICLE 3 OF THIS TITLE 25.5, REFERRED TO IN THIS SECTION AS THE "COLORADO INDIGENT CARE PROGRAM". THE ENTERPRISE SHALL USE THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE TO:

(I) PROVIDE A BUSINESS SERVICE TO HOSPITALS BY INCREASING REIMBURSEMENT TO HOSPITALS FOR PROVIDING MEDICAL CARE UNDER:

(A) THE STATE MEDICAL ASSISTANCE PROGRAM; AND

(B) THE COLORADO INDIGENT CARE PROGRAM;

(II) PROVIDE A BUSINESS SERVICE TO HOSPITALS BY INCREASING THE NUMBER OF INDIVIDUALS COVERED BY PUBLIC MEDICAL ASSISTANCE AND THEREBY REDUCING THE AMOUNT OF UNCOMPENSATED CARE THAT THE HOSPITALS MUST PROVIDE;

(III) PAY THE ADMINISTRATIVE COSTS TO THE ENTERPRISE IN IMPLEMENTING AND ADMINISTERING THIS SECTION SUBJECT TO THE LIMITATION THAT ADMINISTRATIVE COSTS OF THE ENTERPRISE ARE LIMITED TO THREE PERCENT OF THE ENTERPRISE'S EXPENDITURES BASED ON A METHODOLOGY APPROVED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STAFF OF THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY; AND

(IV) PROVIDE OR CONTRACT FOR OR ARRANGE THE PROVISION OF ADDITIONAL BUSINESS SERVICES TO HOSPITALS BY:

(A) CONSULTING WITH HOSPITALS TO HELP THEM IMPROVE BOTH COST EFFICIENCY AND PATIENT SAFETY IN PROVIDING MEDICAL SERVICES AND THE CLINICAL EFFECTIVENESS OF THOSE SERVICES;

(B) ADVISING HOSPITALS REGARDING POTENTIAL CHANGES TO FEDERAL AND STATE LAWS AND REGULATIONS THAT GOVERN THE

PROVISION OF AND REIMBURSEMENT PAID FOR MEDICAL SERVICES UNDER THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5;

(C) PROVIDING COORDINATED SERVICES TO HOSPITALS TO HELP THEM ADAPT AND TRANSITION TO ANY NEW OR MODIFIED PERFORMANCE TRACKING AND PAYMENT SYSTEMS FOR THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5, WHICH MAY INCLUDE DATA SHARING, TELEHEALTH COORDINATION AND SUPPORT, ESTABLISHMENT OF PERFORMANCE METRICS, BENCHMARKING TO SUCH METRICS, AND CLINICAL AND ADMINISTRATIVE PROCESS CONSULTING AND OTHER APPROPRIATE SERVICES;

(D) PROVIDING ANY OTHER SERVICES TO HOSPITALS THAT AID THEM IN EFFICIENTLY AND EFFECTIVELY PARTICIPATING IN THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5; AND

(E) PROVIDING FUNDING FOR, AND IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS SUPPORTING THE IMPLEMENTATION OF, A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION.

(b) THE ENTERPRISE SHALL RECOMMEND FOR APPROVAL AND ESTABLISHMENT BY THE STATE BOARD THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE THAT IT INTENDS TO CHARGE AND COLLECT. THE STATE BOARD MUST ESTABLISH THE FINAL AMOUNT OF THE FEE BY RULES PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24. THE STATE BOARD SHALL NOT ESTABLISH ANY AMOUNT THAT EXCEEDS THE FEDERAL LIMIT FOR SUCH FEES. THE STATE BOARD MAY DEVIATE FROM THE RECOMMENDATIONS OF THE ENTERPRISE, BUT SHALL EXPRESS IN WRITING THE REASONS FOR ANY DEVIATIONS. IN ESTABLISHING THE AMOUNT OF THE FEE AND IN PROMULGATING THE RULES GOVERNING THE FEE, THE STATE BOARD SHALL:

(I) CONSIDER RECOMMENDATIONS OF THE ENTERPRISE;

(II) ESTABLISH THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE SO THAT THE AMOUNT COLLECTED FROM THE FEE AND FEDERAL MATCHING FUNDS ASSOCIATED WITH THE FEE ARE SUFFICIENT

TO PAY FOR THE ITEMS DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION, BUT NOTHING IN THIS SUBSECTION (4)(b)(II) REQUIRES THE STATE BOARD TO INCREASE THE FEE ABOVE THE AMOUNT RECOMMENDED BY THE ENTERPRISE; AND

(III) FOR THE 2017-18 FISCAL YEAR, ESTABLISH THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE SO THAT THE AMOUNT COLLECTED FROM THE FEE IS APPROXIMATELY EQUAL TO THE SUM OF THE AMOUNTS OF THE APPROPRIATIONS SPECIFIED FOR THE FEE IN THE GENERAL APPROPRIATION ACT, SENATE BILL 17-254, ENACTED IN 2017, AND ANY OTHER SUPPLEMENTAL APPROPRIATION ACT.

(c) (I) IN ACCORDANCE WITH THE REDISTRIBUTIVE METHOD SET FORTH IN 42 CFR 433.68 (e)(1) AND (e)(2), THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, MAY SEEK A WAIVER FROM THE BROAD-BASED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REQUIREMENT OR THE UNIFORM HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REQUIREMENT, OR BOTH. IN ADDITION, THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, SHALL SEEK ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION. SUBJECT TO FEDERAL APPROVAL AND TO MINIMIZE THE FINANCIAL IMPACT ON CERTAIN HOSPITALS, THE ENTERPRISE MAY EXEMPT FROM PAYMENT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CERTAIN TYPES OF HOSPITALS, INCLUDING BUT NOT LIMITED TO:

(A) PSYCHIATRIC HOSPITALS, AS LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(B) HOSPITALS THAT ARE LICENSED AS GENERAL HOSPITALS AND CERTIFIED AS LONG-TERM CARE HOSPITALS BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(C) CRITICAL ACCESS HOSPITALS THAT ARE LICENSED AS GENERAL HOSPITALS AND ARE CERTIFIED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT UNDER 42 CFR PART 485, SUBPART F;

(D) INPATIENT REHABILITATION FACILITIES; OR

(E) HOSPITALS SPECIFIED FOR EXEMPTION UNDER 42 CFR 433.68

(e).

(II) IN DETERMINING WHETHER A HOSPITAL MAY BE EXCLUDED, THE ENTERPRISE SHALL USE ONE OR MORE OF THE FOLLOWING CRITERIA:

(A) A HOSPITAL THAT IS LOCATED IN A RURAL AREA;

(B) A HOSPITAL WITH WHICH THE STATE DEPARTMENT DOES NOT CONTRACT TO PROVIDE SERVICES UNDER THE STATE MEDICAL ASSISTANCE PROGRAM;

(C) A HOSPITAL WHOSE INCLUSION OR EXCLUSION WOULD NOT SIGNIFICANTLY AFFECT THE NET BENEFIT TO HOSPITALS PAYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; OR

(D) A HOSPITAL THAT MUST BE INCLUDED TO RECEIVE FEDERAL APPROVAL.

(III) THE ENTERPRISE MAY REDUCE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE FOR CERTAIN HOSPITALS TO OBTAIN FEDERAL APPROVAL AND TO MINIMIZE THE FINANCIAL IMPACT ON CERTAIN HOSPITALS. IN DETERMINING FOR WHICH HOSPITALS THE ENTERPRISE MAY REDUCE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, THE ENTERPRISE SHALL USE ONE OR MORE OF THE FOLLOWING CRITERIA:

(A) THE HOSPITAL IS A TYPE OF HOSPITAL DESCRIBED IN SUBSECTION (4)(c)(I) OF THIS SECTION;

(B) THE HOSPITAL IS LOCATED IN A RURAL AREA;

(C) THE HOSPITAL SERVES A HIGHER PERCENTAGE THAN THE AVERAGE HOSPITAL OF PERSONS COVERED BY THE STATE MEDICAL ASSISTANCE PROGRAM, MEDICARE, OR COMMERCIAL INSURANCE OR PERSONS ENROLLED IN A MANAGED CARE ORGANIZATION;

(D) THE HOSPITAL DOES NOT CONTRACT WITH THE STATE

DEPARTMENT TO PROVIDE SERVICES UNDER THE STATE MEDICAL ASSISTANCE PROGRAM;

(E) IF THE HOSPITAL PAID A REDUCED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, THE REDUCED FEE WOULD NOT SIGNIFICANTLY AFFECT THE NET BENEFIT TO HOSPITALS PAYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; OR

(F) THE HOSPITAL IS REQUIRED NOT TO PAY A REDUCED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS A CONDITION OF FEDERAL APPROVAL.

(IV) THE ENTERPRISE MAY CHANGE HOW IT PAYS HOSPITAL REIMBURSEMENT OR QUALITY INCENTIVE PAYMENTS, OR BOTH, IN WHOLE OR IN PART, UNDER THE AUTHORITY OF A FEDERAL WAIVER IF THE TOTAL REIMBURSEMENT TO HOSPITALS IS EQUAL TO OR ABOVE THE FEDERAL UPPER PAYMENT LIMIT CALCULATION UNDER THE WAIVER.

(d) THE ENTERPRISE MAY ALTER THE PROCESS PRESCRIBED IN THIS SUBSECTION (4) TO THE EXTENT NECESSARY TO MEET THE FEDERAL REQUIREMENTS AND TO OBTAIN FEDERAL APPROVAL.

(e) (I) THE ENTERPRISE SHALL ESTABLISH POLICIES ON THE CALCULATION, ASSESSMENT, AND TIMING OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE. THE ENTERPRISE SHALL ASSESS THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE ON A SCHEDULE TO BE SET BY THE ENTERPRISE BOARD AS PROVIDED IN SUBSECTION (7)(d) OF THIS SECTION. THE PERIODIC HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE PAYMENTS FROM A HOSPITAL AND THE ENTERPRISE'S REIMBURSEMENT TO THE HOSPITAL UNDER SUBSECTIONS (5)(b)(I) AND (5)(b)(II) OF THIS SECTION ARE DUE AS NEARLY SIMULTANEOUSLY AS FEASIBLE; EXCEPT THAT THE ENTERPRISE'S REIMBURSEMENT TO THE HOSPITAL IS DUE NO MORE THAN TWO DAYS AFTER THE PERIODIC HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE PAYMENT IS RECEIVED FROM THE HOSPITAL. THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE MUST BE IMPOSED ON EACH HOSPITAL EVEN IF MORE THAN ONE HOSPITAL IS OWNED BY THE SAME ENTITY. THE FEE MUST BE PRORATED AND ADJUSTED FOR THE EXPECTED VOLUME OF SERVICE FOR ANY YEAR IN WHICH A HOSPITAL OPENS OR CLOSES.

(II) THE ENTERPRISE IS AUTHORIZED TO REFUND ANY UNUSED PORTION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE. FOR ANY PORTION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE THAT HAS BEEN COLLECTED BY THE ENTERPRISE BUT FOR WHICH THE ENTERPRISE HAS NOT RECEIVED FEDERAL MATCHING FUNDS, THE ENTERPRISE SHALL REFUND BACK TO THE HOSPITAL THAT PAID THE FEE THE AMOUNT OF THAT PORTION OF THE FEE WITHIN FIVE BUSINESS DAYS AFTER THE FEE IS COLLECTED.

(III) THE ENTERPRISE SHALL ESTABLISH REQUIREMENTS FOR THE REPORTS THAT HOSPITALS MUST SUBMIT TO THE ENTERPRISE TO ALLOW THE ENTERPRISE TO CALCULATE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE. NOTWITHSTANDING THE PROVISIONS OF PART 2 OF ARTICLE 72 OF TITLE 24 OR SUBSECTION (7)(f) OF THIS SECTION, INFORMATION PROVIDED TO THE ENTERPRISE PURSUANT TO THIS SECTION IS CONFIDENTIAL AND IS NOT A PUBLIC RECORD. NONETHELESS, THE ENTERPRISE MAY PREPARE AND RELEASE SUMMARIES OF THE REPORTS TO THE PUBLIC.

(f) A HOSPITAL SHALL NOT INCLUDE ANY AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS A SEPARATE LINE ITEM IN ITS BILLING STATEMENTS.

(g) THE STATE BOARD SHALL PROMULGATE ANY RULES PURSUANT TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, NECESSARY FOR THE ADMINISTRATION AND IMPLEMENTATION OF THIS SECTION. PRIOR TO SUBMITTING ANY PROPOSED RULES CONCERNING THE ADMINISTRATION OR IMPLEMENTATION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE TO THE STATE BOARD, THE ENTERPRISE SHALL CONSULT WITH THE STATE BOARD ON THE PROPOSED RULES AS SPECIFIED IN SUBSECTION (7)(d) OF THIS SECTION.

(5) Healthcare affordability and sustainability fee cash fund.

(a) ANY HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE COLLECTED PURSUANT TO THIS SECTION BY THE ENTERPRISE MUST BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE FEE TO THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH FUND, WHICH FUND IS HEREBY CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND". THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO

THE FUND. THE STATE TREASURER SHALL INVEST ANY MONEY IN THE FUND NOT EXPENDED FOR THE PURPOSES SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION AS PROVIDED BY LAW. MONEY IN THE FUND SHALL NOT BE TRANSFERRED TO ANY OTHER FUND AND SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN THE PURPOSES SPECIFIED IN THIS SUBSECTION (5) AND IN SUBSECTION (4) OF THIS SECTION.

(b) ALL MONEY IN THE FUND IS SUBJECT TO FEDERAL MATCHING AS AUTHORIZED UNDER FEDERAL LAW AND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE FOLLOWING PURPOSES:

(I) TO MAXIMIZE THE INPATIENT AND OUTPATIENT HOSPITAL REIMBURSEMENTS TO UP TO THE UPPER PAYMENT LIMITS AS DEFINED IN 42 CFR 447.272 AND 42 CFR 447.321;

(II) TO INCREASE HOSPITAL REIMBURSEMENTS UNDER THE COLORADO INDIGENT CARE PROGRAM TO UP TO ONE HUNDRED PERCENT OF THE HOSPITAL'S COSTS OF PROVIDING MEDICAL CARE UNDER THE PROGRAM;

(III) TO PAY THE QUALITY INCENTIVE PAYMENTS PROVIDED IN SECTION 25.5-4-402 (3);

(IV) SUBJECT TO AVAILABLE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND FEDERAL MATCHING FUNDS, TO EXPAND ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE BY:

(A) INCREASING THE ELIGIBILITY LEVEL FOR PARENTS AND CARETAKER RELATIVES OF CHILDREN WHO ARE ELIGIBLE FOR MEDICAL ASSISTANCE, PURSUANT TO SECTION 25.5-5-201 (1)(m), FROM SIXTY-ONE PERCENT TO ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY LINE;

(B) INCREASING THE ELIGIBILITY LEVEL FOR CHILDREN AND PREGNANT WOMEN UNDER THE CHILDREN'S BASIC HEALTH PLAN TO UP TO TWO HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LINE;

(C) PROVIDING ELIGIBILITY UNDER THE STATE MEDICAL ASSISTANCE PROGRAM FOR A CHILDLESS ADULT OR AN ADULT WITHOUT A DEPENDENT CHILD IN THE HOME, PURSUANT TO SECTION 25.5-5-201 (1)(p), WHO EARNS UP TO ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY

LINE; AND

(D) PROVIDING A BUY-IN PROGRAM IN THE STATE MEDICAL ASSISTANCE PROGRAM FOR DISABLED ADULTS AND CHILDREN WHOSE FAMILIES HAVE INCOME OF UP TO FOUR HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LINE;

(V) TO PROVIDE CONTINUOUS ELIGIBILITY FOR TWELVE MONTHS FOR CHILDREN ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM;

(VI) TO PAY THE ENTERPRISE'S ACTUAL ADMINISTRATIVE COSTS OF IMPLEMENTING AND ADMINISTERING THIS SECTION, INCLUDING BUT NOT LIMITED TO THE FOLLOWING COSTS:

(A) ADMINISTRATIVE EXPENSES OF THE ENTERPRISE;

(B) THE ENTERPRISE'S ACTUAL COSTS RELATED TO IMPLEMENTING AND MAINTAINING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, INCLUDING PERSONAL SERVICES, OPERATING, AND CONSULTING EXPENSES;

(C) THE ENTERPRISE'S ACTUAL COSTS FOR THE CHANGES AND UPDATES TO THE MEDICAID MANAGEMENT INFORMATION SYSTEM FOR THE IMPLEMENTATION OF SUBSECTIONS (5)(b)(I) TO (5)(b)(III) OF THIS SECTION;

(D) THE ENTERPRISE'S PERSONAL SERVICES AND OPERATING COSTS RELATED TO PERSONNEL, CONSULTING SERVICES, AND FOR REVIEW OF HOSPITAL COSTS NECESSARY TO IMPLEMENT AND ADMINISTER THE INCREASES IN INPATIENT AND OUTPATIENT HOSPITAL PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION, INCREASES IN THE COLORADO INDIGENT CARE PROGRAM PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(II) OF THIS SECTION, AND QUALITY INCENTIVE PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION;

(E) THE ENTERPRISE'S ACTUAL COSTS FOR THE CHANGES AND UPDATES TO THE COLORADO BENEFITS MANAGEMENT SYSTEM AND MEDICAID MANAGEMENT INFORMATION SYSTEM TO IMPLEMENT AND MAINTAIN THE EXPANDED ELIGIBILITY PROVIDED FOR IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

(F) THE ENTERPRISE'S PERSONAL SERVICES AND OPERATING COSTS RELATED TO PERSONNEL NECESSARY TO IMPLEMENT AND ADMINISTER THE EXPANDED ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE PROVIDED FOR IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION, INCLUDING BUT NOT LIMITED TO ADMINISTRATIVE COSTS ASSOCIATED WITH THE DETERMINATION OF ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE BY COUNTY DEPARTMENTS; AND

(G) THE ENTERPRISE'S PERSONAL SERVICES, OPERATING, AND SYSTEMS COSTS RELATED TO EXPANDING THE OPPORTUNITY FOR INDIVIDUALS TO APPLY FOR PUBLIC MEDICAL ASSISTANCE DIRECTLY AT HOSPITALS OR THROUGH ANOTHER ENTITY OUTSIDE THE COUNTY DEPARTMENTS, IN CONNECTION WITH SECTION 25.5-4-205, THAT WOULD INCREASE ACCESS TO PUBLIC MEDICAL ASSISTANCE AND REDUCE THE NUMBER OF UNINSURED SERVED BY HOSPITALS;

(VII) TO OFFSET THE LOSS OF ANY FEDERAL MATCHING MONEY DUE TO A DECREASE IN THE CERTIFICATION OF THE PUBLIC EXPENDITURE PROCESS FOR OUTPATIENT HOSPITAL SERVICES FOR MEDICAL SERVICES PREMIUMS THAT WERE IN EFFECT AS OF JULY 1, 2008;

(VIII) SUBJECT TO ANY NECESSARY FEDERAL WAIVERS BEING OBTAINED, TO PROVIDE FUNDING FOR A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION; AND

(IX) TO PROVIDE ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION.

(6) Appropriations. (a) (I) THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS TO SUPPLEMENT, NOT SUPPLANT, GENERAL FUND APPROPRIATIONS TO SUPPORT HOSPITAL REIMBURSEMENTS. GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS SHALL BE MAINTAINED AT THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING JULY 1, 2008; EXCEPT THAT GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS MAY BE REDUCED IF AN INDEX OF APPROPRIATIONS TO OTHER PROVIDERS SHOWS THAT GENERAL FUND APPROPRIATIONS ARE REDUCED FOR OTHER PROVIDERS. IF THE INDEX SHOWS THAT GENERAL FUND APPROPRIATIONS ARE REDUCED FOR OTHER PROVIDERS, THE GENERAL FUND APPROPRIATIONS

FOR HOSPITAL REIMBURSEMENTS SHALL NOT BE REDUCED BY A GREATER PERCENTAGE THAN THE REDUCTIONS OF APPROPRIATIONS FOR THE OTHER PROVIDERS AS SHOWN BY THE INDEX.

(II) IF GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS ARE REDUCED BELOW THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING JULY 1, 2008, THE GENERAL FUND APPROPRIATIONS WILL BE INCREASED BACK TO THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING JULY 1, 2008, AT THE SAME PERCENTAGE AS THE APPROPRIATIONS FOR OTHER PROVIDERS AS SHOWN BY THE INDEX. THE GENERAL ASSEMBLY IS NOT OBLIGATED TO INCREASE THE GENERAL FUND APPROPRIATIONS BACK TO THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM IN A SINGLE FISCAL YEAR AND SUCH INCREASES MAY OCCUR OVER NONCONSECUTIVE FISCAL YEARS.

(III) FOR PURPOSES OF THIS SUBSECTION (6)(a), THE "INDEX OF APPROPRIATIONS TO OTHER PROVIDERS" OR "INDEX" MEANS THE AVERAGE PERCENT CHANGE IN REIMBURSEMENT RATES THROUGH APPROPRIATIONS OR LEGISLATION ENACTED BY THE GENERAL ASSEMBLY TO HOME HEALTH PROVIDERS, PHYSICIAN SERVICES, AND OUTPATIENT PHARMACIES, EXCLUDING DISPENSING FEES. THE STATE BOARD, AFTER CONSULTATION WITH THE ENTERPRISE BOARD, IS AUTHORIZED TO CLARIFY THIS DEFINITION AS NECESSARY BY RULE.

(b) IF THE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS INSUFFICIENT TO FULLY FUND ALL OF THE PURPOSES DESCRIBED IN SUBSECTION (5)(b) OF THIS SECTION:

(I) THE GENERAL ASSEMBLY IS NOT OBLIGATED TO APPROPRIATE GENERAL FUND REVENUES TO FUND SUCH PURPOSES;

(II) THE HOSPITAL PROVIDER REIMBURSEMENT AND QUALITY INCENTIVE PAYMENT INCREASES DESCRIBED IN SUBSECTIONS (5)(b)(I) TO (5)(b)(III) OF THIS SECTION AND THE COSTS DESCRIBED IN SUBSECTION (5)(b)(VI) OF THIS SECTION SHALL BE FULLY FUNDED USING REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND FEDERAL MATCHING FUNDS BEFORE ANY ELIGIBILITY EXPANSION IS FUNDED; AND

(III) (A) IF THE STATE BOARD PROMULGATES RULES THAT EXPAND ELIGIBILITY FOR MEDICAL ASSISTANCE TO BE PAID FOR PURSUANT TO SUBSECTION (5)(b)(IV) OF THIS SECTION, AND THE STATE DEPARTMENT THEREAFTER NOTIFIES THE ENTERPRISE BOARD THAT THE REVENUE AVAILABLE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE FEDERAL MATCHING FUNDS WILL NOT BE SUFFICIENT TO PAY FOR ALL OR PART OF THE EXPANDED ELIGIBILITY, THE ENTERPRISE BOARD SHALL RECOMMEND TO THE STATE BOARD REDUCTIONS IN MEDICAL BENEFITS OR ELIGIBILITY SO THAT THE REVENUE WILL BE SUFFICIENT TO PAY FOR ALL OF THE REDUCED BENEFITS OR ELIGIBILITY. AFTER RECEIVING THE RECOMMENDATIONS OF THE ENTERPRISE BOARD, THE STATE BOARD SHALL ADOPT RULES PROVIDING FOR REDUCED BENEFITS OR REDUCED ELIGIBILITY FOR WHICH THE REVENUE WILL BE SUFFICIENT AND SHALL FORWARD ANY ADOPTED RULES TO THE JOINT BUDGET COMMITTEE. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-4-103 (8) AND (12), FOLLOWING THE ADOPTION OF RULES PURSUANT TO THIS SUBSECTION (6)(b)(III)(A), THE STATE BOARD SHALL NOT SUBMIT THE RULES TO THE ATTORNEY GENERAL AND SHALL NOT FILE THE RULES WITH THE SECRETARY OF STATE UNTIL THE JOINT BUDGET COMMITTEE APPROVES THE RULES PURSUANT TO SUBSECTION (6)(b)(III)(B) OF THIS SECTION.

(B) THE JOINT BUDGET COMMITTEE SHALL PROMPTLY CONSIDER ANY RULES ADOPTED BY THE STATE BOARD PURSUANT TO SUBSECTION (6)(b)(III)(A) OF THIS SECTION. THE JOINT BUDGET COMMITTEE SHALL PROMPTLY NOTIFY THE STATE DEPARTMENT, THE STATE BOARD, AND THE ENTERPRISE BOARD OF ANY ACTION ON THE RULES. IF THE JOINT BUDGET COMMITTEE DOES NOT APPROVE THE RULES, THE JOINT BUDGET COMMITTEE SHALL RECOMMEND A REDUCTION IN BENEFITS OR ELIGIBILITY SO THAT THE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE MATCHING FEDERAL FUNDS WILL BE SUFFICIENT TO PAY FOR THE REDUCED BENEFITS OR ELIGIBILITY. AFTER APPROVING THE RULES PURSUANT TO THIS SUBSECTION (6)(b)(III)(B), THE JOINT BUDGET COMMITTEE SHALL REQUEST THAT THE COMMITTEE ON LEGAL SERVICES, CREATED PURSUANT TO SECTION 2-3-501, EXTEND THE RULES AS PROVIDED FOR IN SECTION 24-4-103 (8) UNLESS THE COMMITTEE ON LEGAL SERVICES FINDS AFTER REVIEW THAT THE RULES DO NOT CONFORM WITH SECTION 24-4-103 (8)(a).

(C) AFTER THE STATE BOARD HAS RECEIVED NOTIFICATION OF THE APPROVAL OF RULES ADOPTED PURSUANT TO SUBSECTION (6)(b)(III)(A) OF

THIS SECTION, THE STATE BOARD SHALL SUBMIT THE RULES TO THE ATTORNEY GENERAL PURSUANT TO SECTION 24-4-103 (8)(b) AND SHALL FILE THE RULES AND THE OPINION OF THE ATTORNEY GENERAL WITH THE SECRETARY OF STATE PURSUANT TO SECTION 24-4-103 (12) AND WITH THE OFFICE OF LEGISLATIVE LEGAL SERVICES. PURSUANT TO SECTION 24-4-103 (5), THE RULES ARE EFFECTIVE TWENTY DAYS AFTER PUBLICATION OF THE RULES AND ARE ONLY EFFECTIVE UNTIL THE FOLLOWING MAY 15 UNLESS THE RULES ARE EXTENDED PURSUANT TO A BILL ENACTED PURSUANT TO SECTION 24-4-103 (8).

(c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IF, AFTER RECEIPT OF AUTHORIZATION TO RECEIVE FEDERAL MATCHING FUNDS FOR MONEY IN THE FUND, THE AUTHORIZATION IS WITHDRAWN OR CHANGED SO THAT FEDERAL MATCHING FUNDS ARE NO LONGER AVAILABLE, THE ENTERPRISE SHALL CEASE COLLECTING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND SHALL REPAY TO THE HOSPITALS ANY MONEY RECEIVED BY THE FUND THAT IS NOT SUBJECT TO FEDERAL MATCHING FUNDS.

(7) Colorado healthcare affordability and sustainability enterprise board. (a) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7)(a)(II) OF THIS SECTION, THE ENTERPRISE BOARD CONSISTS OF THIRTEEN MEMBERS APPOINTED BY THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE, AS FOLLOWS:

(A) FIVE MEMBERS WHO ARE EMPLOYED BY HOSPITALS IN COLORADO, INCLUDING AT LEAST ONE PERSON WHO IS EMPLOYED BY A HOSPITAL IN A RURAL AREA, ONE PERSON WHO IS EMPLOYED BY A SAFETY-NET HOSPITAL FOR WHICH THE PERCENT OF MEDICAID-ELIGIBLE INPATIENT DAYS RELATIVE TO ITS TOTAL INPATIENT DAYS IS EQUAL TO OR GREATER THAN ONE STANDARD DEVIATION ABOVE THE MEAN, AND ONE PERSON WHO IS EMPLOYED BY A HOSPITAL IN AN URBAN AREA;

(B) ONE MEMBER WHO IS A REPRESENTATIVE OF A STATEWIDE ORGANIZATION OF HOSPITALS;

(C) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION OF HEALTH INSURANCE CARRIERS OR A HEALTH INSURANCE CARRIER LICENSED PURSUANT TO TITLE 10 AND WHO IS NOT A REPRESENTATIVE OF A HOSPITAL;

(D) ONE MEMBER OF THE HEALTH CARE INDUSTRY WHO DOES NOT REPRESENT A HOSPITAL OR A HEALTH INSURANCE CARRIER;

(E) ONE MEMBER WHO IS A CONSUMER OF HEALTH CARE AND WHO IS NOT A REPRESENTATIVE OR AN EMPLOYEE OF A HOSPITAL, HEALTH INSURANCE CARRIER, OR OTHER HEALTH CARE INDUSTRY ENTITY;

(F) ONE MEMBER WHO IS A REPRESENTATIVE OF PERSONS WITH DISABILITIES, WHO IS LIVING WITH A DISABILITY, AND WHO IS NOT A REPRESENTATIVE OR AN EMPLOYEE OF A HOSPITAL, HEALTH INSURANCE CARRIER, OR OTHER HEALTH CARE INDUSTRY ENTITY;

(G) ONE MEMBER WHO IS A REPRESENTATIVE OF A BUSINESS THAT PURCHASES OR OTHERWISE PROVIDES HEALTH INSURANCE FOR ITS EMPLOYEES; AND

(H) TWO EMPLOYEES OF THE STATE DEPARTMENT.

(II) THE INITIAL MEMBERS OF THE ENTERPRISE BOARD ARE THE MEMBERS OF THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD THAT WAS CREATED AND EXISTED PURSUANT TO SECTION 25.5-4-402.3 (6), PRIOR TO JULY 1, 2017, AND SUCH MEMBERS SHALL SERVE ON AND AFTER JULY 1, 2017, FOR THE REMAINDER OF THE TERMS FOR WHICH THEY WERE APPOINTED AS MEMBERS OF THE ADVISORY BOARD. THE POWERS, DUTIES, AND FUNCTIONS OF THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD ARE TRANSFERRED BY A **TYPE 3** TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE ENTERPRISE, AND THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD IS ABOLISHED.

(III) THE GOVERNOR SHALL CONSULT WITH REPRESENTATIVES OF A STATEWIDE ORGANIZATION OF HOSPITALS IN MAKING THE APPOINTMENTS PURSUANT TO SUBSECTIONS (7)(a)(I)(A) AND (7)(a)(I)(B) OF THIS SECTION. NO MORE THAN SIX MEMBERS OF THE ENTERPRISE BOARD MAY BE MEMBERS OF THE SAME POLITICAL PARTY.

(IV) MEMBERS OF THE ENTERPRISE BOARD SERVE AT THE PLEASURE OF THE GOVERNOR. ALL TERMS ARE FOR FOUR YEARS. A MEMBER WHO IS APPOINTED TO FILL A VACANCY SHALL SERVE THE REMAINDER OF THE UNEXPIRED TERM OF THE FORMER MEMBER.

(V) THE GOVERNOR SHALL DESIGNATE A CHAIR FROM AMONG THE MEMBERS OF THE ENTERPRISE BOARD APPOINTED PURSUANT TO SUBSECTIONS (7)(a)(I)(A) TO (7)(a)(I)(G) OF THIS SECTION. THE ENTERPRISE BOARD SHALL ELECT A VICE-CHAIR FROM AMONG ITS MEMBERS.

(b) MEMBERS OF THE ENTERPRISE BOARD SERVE WITHOUT COMPENSATION BUT MUST BE REIMBURSED FROM MONEY IN THE FUND FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES PURSUANT TO THIS SECTION.

(c) THE ENTERPRISE BOARD MAY CONTRACT FOR A GROUP FACILITATOR TO ASSIST THE MEMBERS OF THE ENTERPRISE BOARD IN PERFORMING THEIR REQUIRED DUTIES.

(d) THE ENTERPRISE BOARD HAS, AT A MINIMUM, THE FOLLOWING DUTIES:

(I) TO DETERMINE THE TIMING AND METHOD BY WHICH THE ENTERPRISE ASSESSES THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE AMOUNT OF THE FEE;

(II) IF REQUESTED BY THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE OR THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, TO CONSULT WITH THE COMMITTEES ON ANY LEGISLATION THAT MAY IMPACT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE OR HOSPITAL REIMBURSEMENTS ESTABLISHED PURSUANT TO THIS SECTION;

(III) TO DETERMINE CHANGES IN THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE THAT INCREASE THE NUMBER OF HOSPITALS BENEFITTING FROM THE USES OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE DESCRIBED IN SUBSECTIONS (5)(b)(I) TO (5)(b)(IV) OF THIS SECTION OR THAT MINIMIZE THE NUMBER OF HOSPITALS THAT SUFFER LOSSES AS A RESULT OF PAYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE;

(IV) TO RECOMMEND TO THE STATE DEPARTMENT REFORMS OR CHANGES TO THE INPATIENT HOSPITAL AND OUTPATIENT HOSPITAL REIMBURSEMENTS AND QUALITY INCENTIVE PAYMENTS MADE UNDER THE

STATE MEDICAL ASSISTANCE PROGRAM TO INCREASE PROVIDER ACCOUNTABILITY, PERFORMANCE, AND REPORTING;

(V) TO DIRECT AND OVERSEE THE ENTERPRISE IN SEEKING, IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION;

(VI) TO RECOMMEND TO THE STATE DEPARTMENT THE SCHEDULE AND APPROACH TO THE IMPLEMENTATION OF SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

(VII) IF MONEY IN THE FUND IS INSUFFICIENT TO FULLY FUND ALL OF THE PURPOSES SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION, TO RECOMMEND TO THE STATE BOARD CHANGES TO THE EXPANDED ELIGIBILITY PROVISIONS DESCRIBED IN SUBSECTION (5)(b)(IV) OF THIS SECTION;

(VIII) TO PREPARE THE REPORTS SPECIFIED IN SUBSECTION (7)(e) OF THIS SECTION;

(IX) TO MONITOR THE IMPACT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE ON THE BROADER HEALTH CARE MARKETPLACE;

(X) TO ESTABLISH REQUIREMENTS FOR THE REPORTS THAT HOSPITALS MUST SUBMIT TO THE ENTERPRISE TO ALLOW THE ENTERPRISE TO CALCULATE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; AND

(XI) TO PERFORM ANY OTHER DUTIES REQUIRED TO FULFILL THE ENTERPRISE BOARD'S CHARGE OR THOSE ASSIGNED TO IT BY THE STATE BOARD OR THE EXECUTIVE DIRECTOR.

(e) ON OR BEFORE JANUARY 15, 2018, AND ON OR BEFORE JANUARY 15 EACH YEAR THEREAFTER, THE ENTERPRISE BOARD SHALL SUBMIT A WRITTEN REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE AND THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, THE

JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, THE GOVERNOR, AND THE STATE BOARD. THE REPORT SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

(I) THE RECOMMENDATIONS MADE TO THE STATE BOARD PURSUANT TO THIS SECTION;

(II) A DESCRIPTION OF THE FORMULA FOR HOW THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS CALCULATED AND THE PROCESS BY WHICH THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS ASSESSED AND COLLECTED;

(III) AN ITEMIZATION OF THE TOTAL AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE PAID BY EACH HOSPITAL AND ANY PROJECTED REVENUE THAT EACH HOSPITAL IS EXPECTED TO RECEIVE DUE TO:

(A) THE INCREASED REIMBURSEMENTS MADE PURSUANT TO SUBSECTIONS (5)(b)(I) AND (5)(b)(II) OF THIS SECTION AND THE QUALITY INCENTIVE PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION; AND

(B) THE INCREASED ELIGIBILITY DESCRIBED IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

(IV) AN ITEMIZATION OF THE COSTS INCURRED BY THE ENTERPRISE IN IMPLEMENTING AND ADMINISTERING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE;

(V) ESTIMATES OF THE DIFFERENCES BETWEEN THE COST OF CARE PROVIDED AND THE PAYMENT RECEIVED BY HOSPITALS ON A PER-PATIENT BASIS, AGGREGATED FOR ALL HOSPITALS, FOR PATIENTS COVERED BY EACH OF THE FOLLOWING:

(A) MEDICAID;

(B) MEDICARE; AND

(C) ALL OTHER PAYERS; AND

(VI) A SUMMARY OF:

(A) THE EFFORTS MADE BY THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, TO SEEK ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION; AND

(B) THE PROGRESS ACTUALLY MADE BY THE ENTERPRISE, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, TOWARDS THE GOAL OF IMPLEMENTING SUCH A PROGRAM.

(f) (I) THE ENTERPRISE IS SUBJECT TO THE OPEN MEETINGS PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972", CONTAINED IN PART 4 OF ARTICLE 6 OF TITLE 24, AND THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

(II) FOR PURPOSES OF THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24, AND EXCEPT AS MAY OTHERWISE BE PROVIDED BY FEDERAL LAW OR REGULATION OR STATE LAW, THE RECORDS OF THE ENTERPRISE ARE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6), REGARDLESS OF WHETHER THE ENTERPRISE RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUES IN GRANTS, AS DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED.

(III) THE ENTERPRISE IS A PUBLIC ENTITY FOR PURPOSES OF PART 2 OF ARTICLE 57 OF TITLE 11.

(8) Health care delivery system reform incentive payments program - funding and implementation. THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, SHALL SEEK ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION, NO EARLIER THAN OCTOBER 1, 2019, OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM THAT WILL IMPROVE HEALTH CARE ACCESS AND OUTCOMES FOR INDIVIDUALS SERVED BY THE STATE DEPARTMENT

WHILE EFFICIENTLY UTILIZING AVAILABLE FINANCIAL RESOURCES. SUCH A PROGRAM MUST, AT A MINIMUM:

(a) INCLUDE AN INITIAL PLANNING PHASE TO:

(I) ASSESS NEEDS; AND

(II) DEVELOP ACHIEVABLE OUTCOME-BASED METRICS TO BE USED TO MEASURE PROGRESS TOWARDS PROGRAM GOALS, INCLUDING THE GOALS OF HEALTH CARE DELIVERY SYSTEM INTEGRATION, IMPROVED PATIENT OUTCOMES, AND MORE EFFICIENT PROVISION OF CARE; AND

(b) ADDRESS THE FOLLOWING FOCUS AREAS:

(I) CARE COORDINATION AND CARE TRANSITION MANAGEMENT;

(II) INTEGRATION OF PHYSICAL AND BEHAVIORAL HEALTH CARE SERVICES;

(III) CHRONIC CONDITION MANAGEMENT;

(IV) TARGETED POPULATION HEALTH; AND

(V) DATA-DRIVEN ACCOUNTABILITY AND OUTCOME MEASUREMENT.

SECTION 18. In Colorado Revised Statutes, **add** 25.5-4-402.7 as follows:

25.5-4-402.7. Unexpended hospital provider fee cash fund - creation - transfer from hospital provider fee cash fund - use of fund - repeal. (1) THE UNEXPENDED HOSPITAL PROVIDER FEE CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. ON JUNE 30, 2017, THE STATE TREASURER SHALL TRANSFER TO THE FUND ALL MONEY IN THE HOSPITAL PROVIDER FEE CASH FUND CREATED IN SECTION 25.5-4-402.3 (4)(a), AS THAT SECTION EXISTED BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE GENERAL FUND. MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE STATE DEPARTMENT THROUGH OCTOBER 30, 2018, FOR THE PURPOSE OF PAYING

CLAIMS INCURRED BEFORE JULY 1, 2017, THAT WERE PAYABLE PURSUANT TO SECTION 25.5-5-402.3 (4), AS THAT SECTION EXISTED BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017. THE STATE DEPARTMENT SHALL REFUND ANY MONEY IN THE FUND DERIVED FROM HOSPITAL PROVIDER FEES THAT IS NOT EXPENDED FOR THE PURPOSE OF PAYING CLAIMS TO THE HOSPITALS THAT PAID THE FEES.

(2) THIS SECTION IS REPEALED, EFFECTIVE NOVEMBER 1, 2018.

SECTION 19. In Colorado Revised Statutes, 25.5-5-201, **amend** (1) introductory portion, (1)(o)(II), and (1)(r)(II) as follows:

25.5-5-201. Optional provisions - optional groups - repeal.

(1) The federal government allows the state to select optional groups to receive medical assistance. Pursuant to federal law, any person who is eligible for medical assistance under the optional groups specified in this section shall receive both the mandatory services specified in sections 25.5-5-102 and 25.5-5-103 and the optional services specified in sections 25.5-5-202 and 25.5-5-203. Subject to the availability of federal financial aid funds, the following are the individuals or groups that Colorado has selected as optional groups to receive medical assistance pursuant to this article and articles 4 and 6 of this ~~title~~ TITLE 25.5:

(o) (II) Notwithstanding the provisions of ~~subparagraph (I) of this paragraph (o)~~, SUBSECTION (1)(o)(I) OF THIS SECTION, if the ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for individuals with disabilities who are participating in the medicaid buy-in program established in part 14 of article 6 of this ~~title~~ TITLE 25.5, the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (III)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the medical benefits offered or the percentage of the federal poverty line to below four hundred fifty percent or may eliminate this eligibility group.

(r) (II) Notwithstanding the provisions of ~~subparagraph (f) of this paragraph (r)~~, SUBSECTION (1)(r)(I) OF THIS SECTION, if the ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for persons eligible for a medicaid buy-in program established pursuant to section 25.5-5-206, the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (II)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the medical benefits offered, or the percentage of the federal poverty line, or may eliminate this eligibility group.

SECTION 20. In Colorado Revised Statutes, 25.5-5-204.5, **amend** (2) as follows:

25.5-5-204.5. Continuous eligibility - children - repeal. (2) Notwithstanding the provisions of subsection (1) of this section, if the ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (II)~~ SECTION 25.5-4-402.4 (6)(b)(III) may eliminate the continuous enrollment requirement pursuant to this section.

SECTION 21. In Colorado Revised Statutes, **add** 25.5-5-420 as follows:

25.5-5-420. Advancing care for exceptional kids. WITHIN ONE HUNDRED TWENTY DAYS OF THE ENACTMENT OF THE FEDERAL "ADVANCING

CARE FOR EXCEPTIONAL KIDS ACT", SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL SEEK ANY FEDERAL APPROVAL NECESSARY TO FUND, IN COOPERATION WITH HOSPITALS THAT MEET THE SPECIFIED REQUIREMENTS, THE IMPLEMENTATION OF AN ENHANCED PEDIATRIC HEALTH HOME FOR CHILDREN WITH COMPLEX MEDICAL CONDITIONS. REQUIREMENTS FOR PARTICIPATION BY THE STATE DEPARTMENT, ALONG WITH THE REQUIREMENT OF AN ENHANCED PEDIATRIC HEALTH HOME, ARE STIPULATED BY THE "ADVANCING CARE FOR EXCEPTIONAL KIDS ACT" AND SHALL BE COMPLIED WITH ACCORDINGLY.

SECTION 22. In Colorado Revised Statutes, 25.5-8-103, **amend** the introductory portion, (4)(a)(II), and (4)(b)(II) as follows:

25.5-8-103. Definitions - repeal. As used in this ~~article~~ ARTICLE 8, unless the context otherwise requires:

(4) "Eligible person" means:

(a) (II) Notwithstanding the provisions of ~~subparagraph (I) of this paragraph (a)~~, SUBSECTION (4)(a)(I) OF THIS SECTION, if the ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4 (5), together with the corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for persons less than nineteen years of age, the state board may by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (H)~~ SECTION 25.5-4-402.4 (6)(b)(III) reduce the percentage of the federal poverty line to below two hundred fifty percent, but the percentage shall not be reduced to below two hundred five percent.

(b) (II) Notwithstanding the provisions of ~~subparagraph (I) of this paragraph (b)~~ SUBSECTION (4)(b)(I) OF THIS SECTION, if the ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4 (5), together with the corresponding federal matching funds, ~~are~~ IS insufficient to fully fund all of the purposes described in ~~section~~

~~25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for pregnant women, the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (HH)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the percentage of the federal poverty line to below two hundred fifty percent, but the percentage shall not be reduced to below two hundred five percent.

SECTION 23. In Colorado Revised Statutes, 29-2-105, **amend** (1) introductory portion and (1)(d)(I) introductory portion; and **add** (1)(d)(I)(O) as follows:

29-2-105. Contents of sales tax ordinances and proposals - repeal. (1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article shall be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in ~~paragraph (d) of this subsection (1)~~ SUBSECTION (1)(d) OF THIS SECTION. Any countywide or incorporated town or city sales tax ordinance or proposal shall include the following provisions:

(d) (I) A provision that the sale of tangible personal property and services taxable pursuant to this article shall be the same as the sale of tangible personal property and services taxable pursuant to section 39-26-104, ~~C.R.S.~~, except as otherwise provided in this ~~paragraph (d)~~ SUBSECTION (1)(d). The sale of tangible personal property and services taxable pursuant to this article shall be subject to the same sales tax exemptions as those specified in part 7 of article 26 of title 39 ~~C.R.S.~~; except that the sale of the following may be exempted from a town, city, or county sales tax only by the express inclusion of the exemption either at the time of adoption of the initial sales tax ordinance or resolution or by amendment thereto:

(O) THE EXEMPTION FOR RETAIL SALES OF MARIJUANA UPON WHICH THE RETAIL MARIJUANA SALES TAX IS IMPOSED PURSUANT TO SECTION 39-28.8-202 AS SPECIFIED IN SECTION 39-26-729.

SECTION 24. In Colorado Revised Statutes, **add** 39-3-209 as follows:

39-3-209. State expenditure for property tax exemptions - mechanism for refunding of excess state revenue - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) ALTHOUGH THE EXEMPTIONS ALLOWED BY THIS PART 2 ARE EXEMPTIONS FROM LOCAL GOVERNMENT PROPERTY TAXES, THE STATE MUST REIMBURSE LOCAL GOVERNMENTS FOR THE NET AMOUNT OF PROPERTY TAX REVENUES LOST AS A RESULT OF THE EXEMPTIONS AND THEREFORE BEARS THE FULL COST OF THE EXEMPTIONS;

(b) SECTION 3.5 OF ARTICLE X OF THE STATE CONSTITUTION AUTHORIZES THE GENERAL ASSEMBLY TO RAISE OR LOWER THE MAXIMUM AMOUNT OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY OF WHICH FIFTY PERCENT IS EXEMPT PURSUANT TO THIS PART 2;

(c) IN ORDER TO ELIMINATE THE COST OF THE EXEMPTION AND FUND OTHER STATE NEEDS, THE GENERAL ASSEMBLY, AS AUTHORIZED BY SECTION 3.5 OF ARTICLE X OF THE STATE CONSTITUTION, HAS AT TIMES TEMPORARILY SUSPENDED THE EXEMPTION FOR QUALIFYING SENIORS ALLOWED BY THIS PART 2 BY LOWERING TO ZERO THE MAXIMUM AMOUNT OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY OF WHICH FIFTY PERCENT IS EXEMPT;

(d) THE GENERAL ASSEMBLY INTENDS TO ALLOW SENIORS TO RELY ON PREDICTABLE AND SUSTAINABLE EXEMPTIONS BY FULLY FUNDING THE PROPERTY TAX EXEMPTION FOR QUALIFYING SENIORS IN THE FUTURE, AND IT IS MORE LIKELY TO BE ABLE TO DO SO IF THE COST OF THE EXEMPTION, WHICH EXCLUSIVELY BENEFITS TAXPAYERS WHO RESIDE IN COLORADO, CONSTITUTES A REFUND OF EXCESS STATE REVENUES FOR STATE FISCAL YEARS FOR WHICH SUCH REFUNDS ARE REQUIRED; AND

(e) SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AUTHORIZES THE STATE TO USE ANY REASONABLE METHOD TO MAKE REQUIRED REFUNDS OF EXCESS STATE REVENUES, AND THE PAYMENT BY THE STATE OF REIMBURSEMENT TO LOCAL GOVERNMENTS FOR THE NET AMOUNT OF PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY THIS PART 2, WHICH EXEMPTIONS DIRECTLY REDUCE THE TAX LIABILITY OF TAXPAYING COLORADO RESIDENTS THROUGHOUT THE STATE, IS A REASONABLE METHOD OF MAKING SUCH

REFUNDS.

(2) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2017, FOR WHICH STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), EXCEED THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(C) OR (6)(b)(I)(D), AND ARE REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE LESSER OF ALL REIMBURSEMENT PAID BY THE STATE TREASURER TO EACH TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE STATE FISCAL YEAR OR AN AMOUNT OF SUCH REIMBURSEMENT EQUAL TO THE AMOUNT OF EXCESS STATE REVENUES FOR THE STATE FISCAL YEAR THAT ARE REQUIRED TO BE REFUNDED IS A REFUND OF SUCH EXCESS STATE REVENUES.

SECTION 25. In Colorado Revised Statutes, 39-22-537, **amend** (3)(a) introductory portion and (6) as follows:

39-22-537. Credit for personal property taxes paid - legislative declaration - definitions - repeal. (3) (a) For any income tax year commencing on or after January 1, 2015, but prior to ~~January 1, 2020~~ JANUARY 1, 2019, a taxpayer who qualifies under ~~paragraph (b) of this subsection~~ (3) SUBSECTION (3)(b) OF THIS SECTION is allowed a credit against the tax imposed by this ~~article~~ ARTICLE 22 that is equal to a percentage of the property taxes paid for personal property in Colorado during the income tax year. For a given income tax year, a taxpayer's percentage is equal to one hundred percent minus the sum of the taxpayer's federal marginal income tax rate for the year and the state income tax rate for the year; except that the percentage is equal to one hundred percent for an organization that:

(6) This section is repealed, effective ~~July 1, 2022~~ JULY 1, 2021.

SECTION 26. In Colorado Revised Statutes, **add** 39-22-537.5 as follows:

39-22-537.5. Credit for personal property taxes paid - legislative declaration - definitions - repeal. (1) THE GENERAL ASSEMBLY DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN THIS SECTION IS TO MINIMIZE THE NEGATIVE IMPACT OF THE BUSINESS PERSONAL PROPERTY TAX ON BUSINESSES.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "PROPERTY TAX" MEANS THE AD VALOREM TAX IMPOSED PURSUANT TO SECTION 3 OF ARTICLE X OF THE STATE CONSTITUTION BUT DOES NOT INCLUDE PUBLIC UTILITIES ASSESSED PURSUANT TO SECTION 39-4-102, AND DOES NOT INCLUDE THE GRADUATED ANNUAL SPECIFIC OWNERSHIP TAX IMPOSED PURSUANT TO SECTION 6 OF ARTICLE X OF THE STATE CONSTITUTION.

(b) "TAXPAYER" INCLUDES AN ORGANIZATION EXEMPT FROM FEDERAL TAXATION PURSUANT TO SECTION 501 (c) OF THE INTERNAL REVENUE CODE.

(3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, A TAXPAYER IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 EQUAL TO THE PROPERTY TAX PAID IN COLORADO DURING THE INCOME TAX YEAR ON UP TO EIGHTEEN THOUSAND DOLLARS OF THE TOTAL ACTUAL VALUE OF THE TAXPAYER'S PERSONAL PROPERTY.

(b) A TAXPAYER MAY NOT CLAIM A TAX CREDIT UNDER THIS SECTION FOR THE PAYMENT OF DELINQUENT PROPERTY TAXES THAT WERE OWED FOR A PRIOR PROPERTY TAX YEAR.

(c) THE AMOUNT OF THE CREDIT UNDER THIS SECTION THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE TAXPAYER.

(4) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER MUST SUBMIT TO THE DEPARTMENT OF REVENUE A COPY OF A PROPERTY TAX STATEMENT DESCRIBED IN SECTION 39-10-103 FOR ALL OF THE TAXPAYER'S PERSONAL PROPERTY FOR THE PROPERTY TAX YEAR FOR WHICH THE CREDIT IS CLAIMED.

SECTION 27. In Colorado Revised Statutes, 39-22-627, **amend** (1)(b), (3), and (6); and **repeal** (9) as follows:

39-22-627. Temporary adjustment of rate of income tax - refund of excess state revenues - authority of executive director.

(1) (b) In order for the provisions of ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION to take effect, the amount of state revenues required to be refunded for the specified state fiscal year ~~shall~~ MUST exceed the total of the ~~adjusted amount set forth in section 39-22-123~~ (4) (c); OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income, as determined pursuant to this section.

(3) If one or more ballot questions are submitted to the voters at a statewide election to be held in November of any given calendar year that seek authorization for the state to retain and spend all or any portion of the amount of excess state revenues for the state fiscal year ending during said calendar year, the executive director shall not reduce the state income tax rate until the results of said election are known so that the state income tax rate may be reduced only if, after the results of said election, the amount of excess state revenues required to be refunded for the state fiscal year exceeds the total of the ~~adjusted amount set forth in section 39-22-123~~ (4)(c); OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which state revenues would be decreased as a result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income pursuant to this section.

(6) If, based on the financial report prepared by the controller in accordance with section 24-77-106.5, ~~C.R.S.~~, the controller certifies that the amount of the state revenues for any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2017, exceeds the limitation on state fiscal year spending imposed by section 20 (7)(a) of article X of the state constitution for that state fiscal year and exceeds the amount of excess state revenues that the voters statewide have authorized the state to retain and

spend for that state fiscal year by less than the total of the ~~adjusted amount set forth in section 39-22-123 (4)(c)~~, OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income as calculated by the executive director pursuant to subsection (2) of this section, then the reduction in the state income tax rate allowed pursuant to subsection (1) of this section shall not be allowed for the income tax year commencing during the calendar year in which the state fiscal year ended.

(9) ~~If, by operation of section 39-22-123 (6), excess state revenues are no longer refunded through an earned income tax credit, the total of the adjusted amount set forth in section 39-22-123 (4)(c) is not added to the estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate for purposes of the calculations set forth in paragraph (b) of subsection (1) and subsections (3) and (6) of this section.~~

SECTION 28. In Colorado Revised Statutes, **add** 39-26-729 as follows:

39-26-729. Retail sales of marijuana. ON AND AFTER JULY 1, 2017, ALL RETAIL SALES OF MARIJUANA UPON WHICH THE RETAIL MARIJUANA SALES TAX IS IMPOSED PURSUANT TO SECTION 39-28.8-202 ARE EXEMPT FROM TAXATION UNDER PART 1 OF THIS ARTICLE 26.

SECTION 29. In Colorado Revised Statutes, 39-28.8-202, **amend** (1)(a)(I) as follows:

39-28.8-202. Retail marijuana sales tax. (1) (a) (I) In addition to the tax imposed pursuant to part 1 of article 26 of this ~~title~~ TITLE 39 and the sales tax imposed by a local government pursuant to title 29, 30, 31, or 32, but except as otherwise set forth in ~~subparagraphs (II) and (III) of this paragraph (a)~~ SUBSECTIONS (1)(a)(II) AND (1)(a)(III) OF THIS SECTION, beginning January 1, 2014, ~~and through June 30, 2017~~ AND THROUGH JUNE

30, 2017, there is imposed upon all sales of retail marijuana and retail marijuana products by a retailer a tax at the rate of ten percent of the amount of the sale. ~~and beginning July 1, 2017, there is imposed upon all sales of retail marijuana and retail marijuana products by a retailer a tax at the rate of eight percent of the amount of the sale.~~ BEGINNING JULY 1, 2017, THERE IS IMPOSED UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS BY A RETAILER A TAX AT THE RATE OF FIFTEEN PERCENT OF THE AMOUNT OF THE SALE. The tax imposed by this section is computed in accordance with schedules or forms prescribed by the executive director of the department; except that a retail marijuana store is not allowed to retain any portion of the retail marijuana sales tax collected pursuant to this part 2 to cover the expenses of collecting and remitting the tax and except that the department of revenue may require a retailer to make returns and remit the tax described in this part 2 by electronic means.

SECTION 30. In Colorado Revised Statutes, 39-28.8-203, **amend** (1) introductory portion, (1)(a)(I), and (1)(b)(I); **repeal** (1)(a)(I.5); and **add** (1)(b)(I.3) and (1)(b)(I.5) as follows:

39-28.8-203. Disposition of collections - definitions. (1) The proceeds of all ~~moneys~~ MONEY collected from the retail marijuana sales tax are INITIALLY credited to the old age pension fund created in section 1 of article XXIV of the state constitution in accordance with paragraphs (a) and (f) of section 2 of article XXIV of the state constitution AND THEREAFTER ARE TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 OF ARTICLE XXIV OF THE STATE CONSTITUTION. For each fiscal year in which a tax is collected pursuant to this part 2, an amount shall be appropriated or distributed from the general fund as follows:

(a) (I) ~~Except as otherwise set forth in subparagraph (I.5) of this paragraph (a)~~ BEFORE JULY 1, 2017, an amount equal to fifteen percent of the gross retail marijuana sales tax ~~revenues~~ REVENUE collected by the department is apportioned to local governments. ON AND AFTER JULY 1, 2017, AN AMOUNT EQUAL TO TEN PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX REVENUE COLLECTED BY THE DEPARTMENT IS APPORTIONED TO LOCAL GOVERNMENTS. The city or town share is apportioned according to the percentage that retail marijuana sales tax ~~revenues~~ REVENUE collected by the department within the boundaries of the city or town bear to the total retail marijuana sales tax ~~revenues~~ REVENUE

collected by the department. The county share is apportioned according to the percentage that retail marijuana sales tax ~~revenues~~ REVENUE collected by the department in the unincorporated area of the county bear to total retail marijuana sales tax ~~revenues~~ REVENUE collected by the department.

~~(I.5) If the ballot issue is placed on the November 3, 2015, ballot and a majority of the electors voting thereon vote "No/Against", then beginning January 1, 2016, the amount that would otherwise be distributed to a local government through subparagraph (I) of this paragraph (a) is halved until the total reduction that results from this subparagraph (I.5) is greater than or equal to the amount that was distributed to the local government under this paragraph (a) for the fiscal year 2014-15. Thereafter, the local government receives the full apportioned amount required by subparagraph (I) of this paragraph (a). The reduction in a local government's distribution does not increase the amount apportioned to other local governments.~~

(b)(I) UNTIL JULY 1, 2017, the state treasurer shall transfer from the general fund to the marijuana tax cash fund an amount equal to eighty-five percent of the gross retail marijuana sales tax ~~revenues~~ REVENUE collected by the department.

(I.3) ON AND AFTER JULY 1, 2017, BUT BEFORE JULY 1, 2018, OF THE NINETY PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX REVENUE IN THE GENERAL FUND REMAINING AFTER THE ALLOCATION TO LOCAL GOVERNMENTS REQUIRED BY SUBSECTION (1)(a)(I) OF THIS SECTION IS MADE, THE STATE TREASURER SHALL RETAIN TWENTY-EIGHT AND FIFTEEN ONE-HUNDREDTHS PERCENT LESS THIRTY MILLION DOLLARS IN THE GENERAL FUND FOR USE FOR ANY LAWFUL PURPOSE AND SHALL TRANSFER FROM THE GENERAL FUND:

(A) SEVENTY-ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT TO THE MARIJUANA TAX CASH FUND; AND

(B) THIRTY MILLION DOLLARS TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) FOR USE AS SPECIFIED IN SECTION 22-54-139 (2).

(I.5) ON AND AFTER JULY 1, 2018, OF THE NINETY PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX REVENUE IN THE GENERAL FUND

REMAINING AFTER THE ALLOCATION TO LOCAL GOVERNMENTS REQUIRED BY SUBSECTION (1)(a)(I) OF THIS SECTION IS MADE, THE STATE TREASURER SHALL RETAIN FIFTEEN AND FIFTY-SIX ONE-HUNDREDTHS PERCENT IN THE GENERAL FUND FOR USE FOR ANY LAWFUL PURPOSE AND SHALL TRANSFER FROM THE GENERAL FUND:

(A) SEVENTY-ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT TO THE MARIJUANA TAX CASH FUND; AND

(B) TWELVE AND FIFTY-NINE ONE-HUNDREDTHS PERCENT TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) FOR USE AS SPECIFIED IN SECTION 22-54-139 (3).

SECTION 31. In Colorado Revised Statutes, 43-4-206, **amend** (1) introductory portion, (1)(b) introductory portion, (1)(b)(V), (2)(a) introductory portion, (2)(b), and (3) as follows:

43-4-206. State allocation. (1) Except as otherwise provided in ~~subsection (2)~~ SUBSECTIONS (1)(a)(V), (2), AND (3) of this section, after paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, ~~as~~ THAT are appropriated by the general assembly, ~~sixty-five percent of the balance of~~ MONEY IN the highway users tax fund shall be paid to the state highway fund and ~~shall be~~ expended for the following purposes:

(b) Except as otherwise provided in subsection (2) of this section, all ~~moneys~~ MONEY in the state highway fund not required for the creation, maintenance, and application of the highway anticipation or sinking fund and all ~~moneys~~ MONEY in the state highway supplementary fund are available to pay for:

(V) The construction, reconstruction, repairs, improvement, planning, supervision, and maintenance of the state highway system and other public highways, including any county and municipal roads and highways, together with the acquisition of rights-of-way and access rights for the same. ANY PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS REQUIRED BY SECTION 24-82-1303 (2)(a) THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-82-1303 (4)(b) SHALL BE USED ONLY FOR QUALIFIED FEDERAL AID HIGHWAY PROJECTS THAT ARE

INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE PERCENT OF THE MONEY BEING USED FOR PROJECTS THAT ARE LOCATED IN COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE DEPARTMENT OF LOCAL AFFAIRS. NO MORE THAN NINETY PERCENT OF THE PROCEEDS SHALL BE EXPENDED FOR HIGHWAY PURPOSES OR HIGHWAY-RELATED CAPITAL IMPROVEMENTS, AND AT LEAST TEN PERCENT OF THE PROCEEDS SHALL BE EXPENDED FOR TRANSIT PURPOSES OR FOR TRANSIT-RELATED CAPITAL IMPROVEMENTS.

(2) (a) ~~Notwithstanding the provisions of subsection (1) of this section, the revenues~~ REVENUE accrued to and transferred to the highway users tax fund pursuant to section 39-26-123 (4)(a) ~~or 24-75-219, C.R.S.,~~ or appropriated to the highway users tax fund pursuant to House Bill 02-1389, enacted at the second regular session of the sixty-third general assembly, and credited to the state highway fund pursuant to section 43-4-205 (6.5) shall be expended by the department of transportation for the implementation of the strategic transportation project investment program: ~~in the following manner:~~

(b) Beginning in 1998, the department of transportation shall report annually to the transportation committee of the senate and the transportation and energy committee of the house of representatives concerning the ~~revenues~~ REVENUE expended by the department pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION AND, BEGINNING IN 2018, ANY PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS REQUIRED BY SECTION 24-82-1303 (2)(a) THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-82-1303 (4)(b) AND EXPENDED BY THE DEPARTMENT PURSUANT TO SUBSECTION (1)(b)(V) OF THIS SECTION. THE DEPARTMENT SHALL PRESENT ~~the report shall be presented~~ at the joint meeting required under section 43-1-113 (9)(a) and THE REPORT shall describe for each fiscal year, if applicable:

(I) The projects on which the ~~revenues credited to the state highway fund pursuant to paragraph (a) of this subsection (2)~~ REVENUE AND NET PROCEEDS are to be expended, including the estimated cost of each project, the aggregate amount of revenue actually spent on each project, and the

amount of revenue allocated for each project in such fiscal year. The department of transportation shall submit a prioritized list of such projects as part of the report.

(II) The status of such projects that the department has undertaken in any previous fiscal year;

(III) The projected ~~amount~~ AMOUNTS of revenue AND NET PROCEEDS that the department expects to receive under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year;

(IV) The amount of revenue AND NET PROCEEDS that the department has already received under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year; and

(V) How the ~~revenues~~ REVENUE AND NET PROCEEDS expended under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year ~~relate~~ RELATES to the total funding of the FEDERAL AID TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE strategic transportation project investment program.

(3) ~~Notwithstanding the provisions of subsection (1) of this section, the revenues~~ THE REVENUE credited to the highway users tax fund pursuant to section 43-4-205 (6.3) shall be expended by the department of transportation only for road safety projects, as defined in section 43-4-803 (21); except that the department shall, in furtherance of its duty to supervise state highways and as a consequence in compliance with section 43-4-810, expend ten million dollars per year of the revenues for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, that enhance the safety of state highways for transit users.

SECTION 32. Appropriation - adjustments to 2017 long bill.

(1) To implement this act, the general fund appropriations made in the annual general appropriation act for the 2017-18 state fiscal year to the department of health care policy and financing are decreased by \$320,035 for medical services premiums.

(2) To implement this act, cash funds appropriations made in the annual general appropriation act for the 2017-18 state fiscal year from the hospital provider fee cash fund, created in section 25.5-4-402.3 (4)(a), C.R.S., to the department of health care policy and financing are decreased by \$597,380,996 as follows:

Executive director's office, general administration	
Personal services	\$2,480,099
Health, life, and dental	\$278,894
Short-term disability	\$3,870
S.B. 04-257 amortization equalization disbursement	\$107,750
S.B. 06-235 supplemental amortization equalization disbursement	\$107,748
Salary survey	\$26,618
Merit pay	\$13,447
Operating expenses	\$57,372
Legal services	\$123,811
Administrative law judge services	\$72,169
Leased space	\$247,365
Payments to OIT	\$378,109
CORE operations	\$148,145
General professional services and special projects	\$1,202,500
Executive director's office, information technology contracts and projects	
Medicaid management information system maintenance and projects	\$3,794,276
Medicaid management information system procurement contracts	\$708,606
Colorado benefits management systems, operating and contract expenses	\$3,450,954
Colorado benefits management systems, health care and economic security staff development center	\$95,832
Executive director's office, eligibility determinations and client services	
Medical identification cards	\$43,200
Contracts for special eligibility determinations	\$4,338,468
Hospital provider fee county administration	\$4,945,446
Medical assistance sites	\$402,984

Customer outreach	\$336,621
Centralized eligibility vendor contract project	\$1,745,342

Executive director's office, utilization and quality review contracts

Professional services contracts	\$372,339
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Executive director's office, provider audits and services

Professional audit contracts	\$250,000
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Executive director's office, indirect cost recoveries

Indirect cost assessment	\$218,771
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Medical services premiums

Medical and long-term care services for medicaid eligible individuals	\$380,854,898
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Behavioral health community programs

Behavioral health capitation payments	\$25,785,121
Behavioral health fee-for-service payments	\$373,007

Office of community living

Support level administration	\$221
Adult supported living services	\$133,235
Case management	\$28,272

Indigent care program

Safety net provider payments	\$155,648,093
Children's basic health plan administration	\$2,416
Children's basic health plan medical and dental costs	\$8,604,997

(3) For the 2017-18 state fiscal year, \$861,416,161 is appropriated to the department of health care policy and financing. This appropriation is from the healthcare affordability and sustainability fee cash fund created in section 25.5-4-402.4 (5), C.R.S. To implement this act, the department may use this appropriation as follows:

Executive director's office, general administration

Personal services	\$2,480,099
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Health, life, and dental	\$278,894
Short-term disability	\$3,870
S.B. 04-257 amortization equalization disbursement	\$107,750
S.B. 06-235 supplemental amortization equalization disbursement	\$107,748
Salary survey	\$26,618
Merit pay	\$13,447
Operating expenses	\$57,372
Legal services	\$123,811
Administrative law judge services	\$72,169
Leased space	\$247,365
Payments to OIT	\$378,109
CORE operations	\$148,145
General professional services and special projects	\$1,202,500

Executive director's office, information technology

Contracts and projects

Medicaid management information system maintenance and projects	\$3,794,276
Medicaid management information system reprocurement contracts	\$708,606
Colorado benefits management systems, operating and contract expenses	\$3,450,954
Colorado benefits management systems, health care and economic security staff development center	\$95,832

**Executive director's office, eligibility determinations and
client services**

Medical identification cards	\$43,200
Contracts for special eligibility determinations	\$4,338,468
Hospital provider fee county administration	\$4,945,446
Medical assistance sites	\$402,984
Customer outreach	\$336,621
Centralized eligibility vendor contract project	\$1,745,342

**Executive director's office, utilization and quality review
contracts**

Professional services contracts	\$372,339
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Executive director's office, provider audits and services

Professional audit contracts	\$250,000
Executive director's office, indirect cost recoveries	
Indirect cost assessment	\$218,771
Medical services premiums	
Medical and long-term care services for medicaid eligible individuals	\$644,809,063
Behavioral health community programs	
Behavioral health capitation payments	\$25,785,121
Behavioral health fee-for-service payments	\$373,007
Office of community living	
Support level administration	\$221
Adult supported living services	\$133,235
Case management	\$28,272
Indigent care program	
Safety net provider payments	\$155,648,093
Children's basic health plan administration	\$2,416
Children's basic health plan medical and dental costs	\$8,604,997

(4) For the 2017-18 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$262,665,969 in federal funds to implement this act. The appropriation in subsection (2) of this section is based on the assumption that the department will receive this amount of federal funds to be used for medical services premiums.

SECTION 33. Appropriation. For the 2016-17 state fiscal year, \$3,750 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation for tax administration IT system (GenTax) support.

SECTION 34. Effective date. (1) Except as otherwise provided in this section, this act takes effect upon passage.

(2) Sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act

take effect July 1, 2017.

(3) (a) Sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act do not take effect if the centers for medicare and medicaid services determine that the amendments set forth in sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act do not comply with federal law.

(b) If the centers for medicare and medicaid services make the determination described in subsection (3)(a) of this section, the executive director of the department of health care policy and financing shall, no later than June 1, 2017, notify the revisor of statutes in writing of that determination by e-mailing the notice to revisorofstatutes.ga@state.co.us.

SECTION 35. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Kevin J. Grantham
PRESIDENT OF
THE SENATE

Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO