

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0520.01 Christy Chase x2008

HOUSE BILL 12-1294

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**HOUSE SPONSORSHIP**

**Liston**, Todd, Acree, Baumgardner, Gardner B., Kerr J., Massey, Miklosi, Murray, Priola, Ramirez, Soper, Swalm, Swerdfeger, Szabo

**SENATE SPONSORSHIP**

**Tochtrop**, Boyd, Mitchell, Neville, White

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**House Committees**

Economic and Business Development

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**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATIONS TO THE SYSTEM OF REGULATION OF**  
102 **HEALTH FACILITIES CURRENTLY REGULATED BY THE**  
103 **DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.**

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**Bill Summary**

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

Under current law, the department of public health and environment (CDPHE) licenses and establishes, and enforces standards for the operation of, health facilities in the state, including rehabilitation centers, community mental health centers, acute treatment units, facilities

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

for persons with developmental disabilities, nursing care facilities, hospice care, assisted living residences, and home care agencies. CDPHE conducts periodic, announced and unannounced inspections of licensed facilities to ensure compliance with the standards it develops. The state board of health (board) is required to establish by rule a schedule of fees to be assessed against health facilities that is sufficient to meet CDPHE's direct and indirect costs in regulating health facilities.

Additionally, under current law, both CDPHE and the department of human services (DHS) jointly regulate community residential homes for persons with developmental disabilities.

**Section 1** of the bill declares that the legislative intent of the bill is to eliminate duplication and unnecessary government oversight in the regulation of health facilities in Colorado.

**Sections 2, 3, 4, and 12** eliminate CDPHE's authority to license and develop standards for the operation of community residential homes, shifting oversight of these homes solely to DHS. Additionally, if home care agency personal care services, which are otherwise regulated by CDPHE, are provided by a service agency that delivers services and supports to persons with developmental disabilities, DHS is tasked with inspecting those services in conjunction and simultaneously with its inspection of the community residential home. DHS is directed to institute an abbreviated, periodic inspection system for community residential homes and a performance incentive system to reduce license renewal fees for community residential homes for which no significant deficiencies that negatively affect the life, health, and safety of their consumers have been found by DHS.

Sections 2, 3, and 4 also:

- ! Require CDPHE to develop an abbreviated, periodic inspection system, which it must use for health facilities that have been licensed for at least 3 years and have not been subject to any enforcement activity or substantiated complaints resulting in the discovery of significant deficiencies that negatively affect the life, health, or safety of consumers of the facilities within the prior 3 years;
- ! Restrict the ability of CDPHE, when considering a license application or a request to approve new construction or remodel of a health facility, to impose standards for construction that are more stringent than, or do not comply with, applicable national, state, and local building and fire codes;
- ! With regard to the dual responsibilities of CDPHE and DHS over community mental health centers and acute treatment units, require the departments to consider changes in health care policy and practice that incorporate integrated health care services;

- ! Limit CDPHE's licensure authority over community clinics to those community clinics that: Provide health care services on an ambulatory basis; are not licensed as an on-campus department or service of a hospital or listed as an off-campus location under a hospital's license; and either operate inpatient beds or provide emergency services at the facility. CDPHE retains authority to license prison clinics regulated by the department of corrections.
- ! Require CDPHE to determine an applicant's fitness to conduct and maintain a health facility based solely on specific fitness information or documentation submitted by the applicant or obtained by CDPHE through its own review or investigation of the applicant; and
- ! Eliminate the ability of CDPHE to conduct a fitness review of a new owner of a facility unless the transfer of ownership results in a transfer of at least 50% of direct or indirect ownership interest in the facility or business to one or more new owners.

Under **sections 5 and 12**, a licensed health facility, program of all-inclusive care for the elderly (PACE) provider, or community residential home that applies to renew its license may submit evidence of its accreditation by a nationally recognized accrediting body or regulation pursuant to a 3-way agreement between the PACE provider, the centers for medicare and medicaid services (CMS), and the department of health care policy and financing (HCPF), as applicable, in which case CDPHE or, for purposes of community residential homes, DHS is to deem that accreditation, regulation, or certification as satisfaction of the state licensing requirements. CDPHE or DHS, as applicable, is permitted to request additional information from a facility if the state's standards for licensure of that type of facility are more stringent than the applicable standards for accreditation, regulation, or certification.

**Sections 6 and 7** prohibit the board from increasing provisional or full license fees above the levels set in rules as of the effective date of the sections. The board retains the ability to lower the fee amounts. Section 7 further requires CDPHE to develop a performance incentive system to provide a reduction in license renewal fees for health facilities that have no significant deficiencies that negatively affect the life, health, or safety of consumers of the facility.

**Section 8** establishes the health care industry facility advisory council (advisory council) in CDPHE to advise the department and the board on matters related to state licensure of health care facilities. The purpose of the advisory council is to:

- ! Advise CDPHE and the board on proposed standards for the operation of licensed health care facilities;
- ! Review and make recommendations to CDPHE and the

board on proposed new or amended rules regarding health care facility licensure;

- ! Review and make recommendations to CDPHE and the board regarding modifications to licensing fees;
- ! Review and make recommendations concerning CDPHE guidelines, policies, and procedures for licensure; and
- ! Seek advice and counsel from outside experts when it deems necessary.

CDPHE and the board are required to accept and take the advisory council's recommendations into consideration before taking action on any of the matters on which the advisory council submits recommendations. Under **section 9**, the advisory council is subject to sunset review by the department of regulatory agencies and repeal on September 1, 2022, unless continued by the general assembly.

**Section 10** clarifies that home care placement agencies are not licensed or certified by CDPHE and prohibits home care placement agencies from making such a claim. Noncompliance with this prohibition subjects a home care placement agency to a civil penalty imposed by CDPHE.

For purposes of board rules pertaining to the regulation of home care agencies, **section 11** requires the board to establish different requirements that are appropriate based on the type of facility or provider delivering the services to the home care consumer and prohibits the board from requiring PACE providers to submit information that is redundant or inconsistent with the federal requirements the PACE provider is subject to pursuant to its 3-way agreement with CMS and HCPF.

**Section 13** prohibits an appropriation of state funds to implement the bill.

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

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

4 (a) In his state of the state address to the general assembly in  
5 2011, the governor spoke of his goal that government should be effective,  
6 efficient, and elegant;

7 (b) The purpose of this measure is to facilitate that goal by  
8 eliminating duplication and unnecessary government oversight and  
9 regulation of health facilities in the state;

1 (c) While state regulation and oversight of health facilities that  
2 house or care for patients is needed to protect patients from abuse or  
3 avoidable accidents, overly burdensome regulations and unrestrained  
4 licensure and fees diminish the viability of businesses and the  
5 productivity of caregivers;

6 (d) When regulation is onerous and superfluous, providers waste  
7 resources and a client's quality of care is diminished. Eliminating and  
8 reducing regulation provides vitality to businesses and an opportunity to  
9 deliver an even higher quality of care.

10 (e) The regulatory system that governs health facilities needs to  
11 reward providers that have commendable records of patient service and  
12 protection and offer relief from the burdens and costs associated with  
13 wasteful state regulation;

14 (f) Overly burdensome and inefficient regulation can result in  
15 fewer private sector jobs and can lower the quality of care as vital  
16 resources are diverted to red tape and paperwork. Savings to the state and  
17 to health facilities are likely if inefficient and ineffective regulation is  
18 reduced.

19 (g) If initiatives to reduce such regulation are adopted:

20 (I) Health facilities will be able to better apply their resources,  
21 produce needed jobs, provide better health care, and stimulate the  
22 economy in these difficult times; and

23 (II) The state will save costs and be able to divert those savings to  
24 other critical areas.

25 **SECTION 2.** In Colorado Revised Statutes, 25-1.5-103, **amend**  
26 (1) (a) (I), (1) (c), (2) (a.5) introductory portion, and (2) (c); and **add** (1)  
27 (a) (III) as follows:

1           **25-1.5-103. Health facilities - powers and duties of department**  
2           **- limitations on rules promulgated by department.** (1) The department

3 has, in addition to all other powers and duties imposed upon it by law, the  
4 powers and duties provided in this section as follows:

5           (a) (I) (A) To annually license and to establish and enforce  
6 standards for the operation of general hospitals, hospital units as defined  
7 in section 25-3-101 (2), psychiatric hospitals, community clinics,  
8 rehabilitation centers, convalescent centers, community mental health  
9 centers, acute treatment units, facilities for persons with developmental  
10 disabilities, habilitation centers for brain-damaged children, chiropractic  
11 centers and hospitals, maternity hospitals, nursing care facilities, the pilot  
12 project rehabilitative nursing facility, hospice care, assisted living  
13 residences, dialysis treatment clinics, ambulatory surgical centers,  
14 birthing centers, home care agencies, and other facilities of a like nature,  
15 except those wholly owned and operated by any governmental unit or  
16 agency.

17           (B) In establishing and enforcing such standards and in addition  
18 to the required announced inspections, the department shall, within  
19 available appropriations, make additional inspections without prior notice  
20 to the HEALTH facility, SUBJECT TO SUB-SUBPARAGRAPH (C) OF THIS  
21 SUBPARAGRAPH (I). Such inspections shall be made only during the hours  
22 of 7 a.m. to 7 p.m.

23           (C) THE DEPARTMENT SHALL CONDUCT ONLY AN ABBREVIATED,  
24 PERIODIC INSPECTION OR SURVEY OF A HEALTH FACILITY LICENSED FOR AT  
25 LEAST THREE YEARS AND AGAINST WHICH NO ENFORCEMENT ACTIVITY  
26 HAS BEEN TAKEN AND NO SUBSTANTIATED COMPLAINT RESULTING IN THE  
27 DISCOVERY OF SIGNIFICANT DEFICIENCIES THAT MAY NEGATIVELY AFFECT

1 THE LIFE, HEALTH, OR SAFETY OF CONSUMERS OF THE HEALTH FACILITY  
2 HAS BEEN RECEIVED WITHIN THE THREE YEARS PRIOR TO THE DATE OF THE  
3 INSPECTION. THE DEPARTMENT, BY RULE, SHALL ESTABLISH AN  
4 ABBREVIATED, PERIODIC INSPECTION OR SURVEY SYSTEM DESIGNED, AT A  
5 MINIMUM, TO: REDUCE THE TIME NEEDED FOR AND COSTS OF LICENSURE  
6 INSPECTIONS FOR BOTH THE DEPARTMENT AND THE LICENSED HEALTH  
7 FACILITY; REDUCE THE NUMBER, FREQUENCY, AND DURATION OF ON-SITE  
8 INSPECTIONS; REDUCE THE SCOPE OF DATA AND INFORMATION THAT  
9 HEALTH FACILITIES ARE REQUIRED TO SUBMIT OR PROVIDE TO THE  
10 DEPARTMENT IN CONNECTION WITH THE LICENSURE INSPECTION; REDUCE  
11 THE AMOUNT AND SCOPE OF DUPLICATIVE DATA, REPORTS, AND  
12 INFORMATION REQUIRED TO COMPLETE THE LICENSURE INSPECTION; AND  
13 BE BASED ON A SAMPLE OF THE FACILITY SIZE. NOTHING IN THIS  
14 SUB-SUBPARAGRAPH (C) LIMITS THE ABILITY OF THE DEPARTMENT TO  
15 CONDUCT A PERIODIC INSPECTION OR SURVEY THAT IS REQUIRED TO MEET  
16 ITS OBLIGATIONS AS A STATE SURVEY AGENCY ON BEHALF OF THE CENTERS  
17 FOR MEDICARE AND MEDICAID SERVICES OR THE DEPARTMENT OF HEALTH  
18 CARE POLICY AND FINANCING TO ASSURE THAT THE HEALTH FACILITY  
19 MEETS THE REQUIREMENTS FOR PARTICIPATION IN THE MEDICARE AND  
20 MEDICAID PROGRAMS.

21 (D) IN CONNECTION WITH THE RENEWAL OF LICENSES ISSUED  
22 PURSUANT TO THIS SUBPARAGRAPH (I), THE DEPARTMENT SHALL  
23 INSTITUTE A PERFORMANCE INCENTIVE SYSTEM PURSUANT TO SECTION  
24 25-3-105 (1) (a) (I) (C).

25 (E) THE DEPARTMENT SHALL NOT INCLUDE IN A REPORT OR PLAN  
26 OF CORRECTION RESULTING FROM A SURVEY OR INSPECTION OF A LICENSED  
27 HEALTH FACILITY ANY DEFICIENCY IDENTIFIED BY THE DEPARTMENT THAT

1 CAN BE EFFECTIVELY AND EFFICIENTLY REMEDIED DURING THE SURVEY OR  
2 INSPECTION OF THE HEALTH FACILITY.

3 (F) SECTIONS 24-4-104, C.R.S., AND 25-3-102 GOVERN the  
4 issuance, suspension, renewal, revocation, annulment, or modification of  
5 licenses. ~~shall be governed by the provisions of section 24-4-104, C.R.S.,~~  
6 ~~and section 25-3-102, and~~ All licenses ~~shall bear~~ ISSUED BY THE  
7 DEPARTMENT MUST CONTAIN the date of issue and cover a twelve-month  
8 period. Nothing contained in this paragraph (a) ~~shall be construed to~~  
9 ~~prevent~~ PREVENTS the department from adopting and enforcing, with  
10 respect to projects for which federal assistance has been obtained or ~~shall~~  
11 ~~be~~ IS requested, ~~such~~ higher standards as may be required by applicable  
12 federal laws or regulations of federal agencies responsible for the  
13 administration of ~~such~~ APPLICABLE federal laws.

14 (III) WHEN REVIEWING A LICENSE APPLICATION OR A REQUEST FOR  
15 APPROVAL OF A NEWLY CONSTRUCTED OR REMODELED HEALTH FACILITY  
16 LISTED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a), THE DEPARTMENT  
17 SHALL NOT IMPOSE STANDARDS FOR CONSTRUCTION THAT ARE MORE  
18 STRINGENT THAN, OR DO NOT COMPLY WITH, NATIONAL, STATE, AND  
19 LOCAL BUILDING AND FIRE CODES APPLICABLE TO THE LOCATION AND  
20 HEALTH FACILITY.

21 (c) (I) To establish and enforce standards for licensure of  
22 community mental health centers and acute treatment units.

23 (II) The department of public health and environment ~~shall have~~  
24 ~~the~~ HAS primary responsibility for the licensure of ~~such facilities~~  
25 COMMUNITY MENTAL HEALTH CENTERS AND ACUTE TREATMENTS UNITS.  
26 The department of human services ~~shall have~~ HAS primary responsibility  
27 for program approval AT THESE FACILITIES. IN PERFORMING THEIR

1 RESPECTIVE RESPONSIBILITIES PURSUANT TO THIS SUBPARAGRAPH (II),  
2 BOTH DEPARTMENTS SHALL TAKE INTO ACCOUNT CHANGES IN HEALTH  
3 CARE POLICY AND PRACTICE INCORPORATING THE CONCEPT AND PRACTICE  
4 OF INTEGRATION OF SERVICES AND THE DEVELOPMENT OF A SYSTEM THAT  
5 COMMINGLES AND INTEGRATES HEALTH CARE SERVICES.

6 (2) For purposes of this section, unless the context otherwise  
7 requires:

8 (a.5) "Community clinic" HAS THE SAME MEANING AS SET FORTH  
9 IN SECTION 25-3-101 AND does not include:

10 (c) "Facility for persons with developmental disabilities" means  
11 a facility specially designed for the active treatment and habilitation of  
12 persons with developmental disabilities. ~~or a community residential home,  
13 as defined in section 27-10.5-102 (4), C.R.S., which is licensed and  
14 certified pursuant to section 27-10.5-109, C.R.S.~~

15 **SECTION 3.** In Colorado Revised Statutes, 25-3-101, **amend** (1)  
16 and (2) (a); and **add** (4) as follows:

17 **25-3-101. Hospitals - health facilities - licensed - definitions.**

18 (1) It is unlawful for any person, partnership, association, or corporation  
19 to open, conduct, or maintain any general hospital, hospital unit,  
20 psychiatric hospital, community clinic, rehabilitation center, convalescent  
21 center, community mental health center, acute treatment unit, facility for  
22 persons with developmental disabilities, AS DEFINED IN SECTION  
23 25-1.5-103 (2) (c), habilitation center for children with brain damage,  
24 chiropractic center and hospital, maternity hospital, nursing care facility,  
25 pilot project rehabilitative nursing facility, hospice care, assisted living  
26 residence, except an assisted living residence shall be assessed a license  
27 fee as set forth in section 25-27-107, dialysis treatment clinic, ambulatory

1 surgical center, birthing center, home care agency, or other facility of a  
2 like nature, except those wholly owned and operated by any governmental  
3 unit or agency, without first having obtained a license ~~therefor~~ from the  
4 department of public health and environment.

5 (2) As used in this section, unless the context otherwise requires:

6 (a) (I) "COMMUNITY CLINIC" MEANS A HEALTH CARE FACILITY  
7 THAT PROVIDES HEALTH CARE SERVICES ON AN AMBULATORY BASIS, IS  
8 NEITHER LICENSED AS AN ON-CAMPUS DEPARTMENT OR SERVICE OF A  
9 HOSPITAL NOR LISTED AS AN OFF-CAMPUS LOCATION UNDER A HOSPITAL'S  
10 LICENSE, AND MEETS AT LEAST ONE OF THE FOLLOWING CRITERIA:

11 (A) OPERATES INPATIENT BEDS AT THE FACILITY; OR

12 (B) PROVIDES EMERGENCY SERVICES AT THE FACILITY.

13 (II) "COMMUNITY CLINIC" INCLUDES A PRISON CLINIC REGULATED  
14 BY THE DEPARTMENT OF CORRECTIONS.

15 (III) "Community clinic" does not include:

16 ~~(A)~~ (A) A federally qualified health center, as defined in section  
17 1861 (aa) (4) of the federal "Social Security Act", 42 U.S.C. sec. 1395x  
18 (aa) (4);

19 ~~(B)~~ (B) A rural health clinic, as defined in section 1861 (aa) (2)  
20 of the federal "Social Security Act", 42 U.S.C. sec. 1395x (aa) (2);

21 (C) A FACILITY THAT FUNCTIONS ONLY AS AN OFFICE FOR THE  
22 PRACTICE OF MEDICINE OR THE DELIVERY OF PRIMARY CARE SERVICES BY  
23 OTHER LICENSED OR CERTIFIED PRACTITIONERS.

24 (4) A HEALTH CARE FACILITY IS NOT REQUIRED TO BE LICENSED AS  
25 A COMMUNITY CLINIC SOLELY DUE TO THE FACILITY'S OWNERSHIP STATUS,  
26 CORPORATE STRUCTURE, OR ENGAGEMENT OF OUTSIDE VENDORS TO  
27 PERFORM NONCLINICAL MANAGEMENT SERVICES. THIS SECTION PERMITS

1 REGULATION OF A PHYSICIAN'S OFFICE ONLY TO THE EXTENT THE OFFICE  
2 IS A COMMUNITY CLINIC AS DEFINED IN THIS SECTION.

3 **SECTION 4.** In Colorado Revised Statutes, 25-3-102, **amend** (1)  
4 as follows:

5 **25-3-102. License - application - issuance.** (1) (a) An  
6 ~~application~~ APPLICANT for a license described in section 25-3-101 shall  
7 ~~be made~~ APPLY to the department of public health and environment  
8 annually upon such form and in such manner as prescribed by the  
9 department. ~~except that a community residential home shall make~~  
10 ~~application for a license pursuant to section 27-10.5-109, C.R.S.~~

11 (b) The department has authority to administer oaths, subpoena  
12 witnesses or documents, and take testimony in all matters relating to  
13 issuing, denying, limiting, suspending, or revoking ~~such~~ A license.

14 (c) The department shall issue licenses to applicants furnishing  
15 satisfactory evidence of fitness to conduct and maintain a HEALTH facility  
16 described in section 25-3-101 in accordance with ~~the provisions of this~~  
17 ~~part 1 and the rules and regulations~~ adopted by ~~such~~ THE department. THE  
18 DEPARTMENT SHALL NOT REQUIRE, AS SATISFACTORY EVIDENCE OF  
19 FITNESS, EVIDENCE AS TO WHETHER AN APPLICANT HAS PROVIDED SELF  
20 DECLARATIONS, AFFIDAVITS, OR OTHER ATTESTATIONS AS TO ITS GENERAL  
21 COMPLIANCE WITH REGULATORY REQUIREMENTS. THE DEPARTMENT  
22 SHALL DETERMINE AN APPLICANT'S FITNESS SOLELY BASED ON THE  
23 SPECIFIC FITNESS INFORMATION OR DOCUMENTATION SUBMITTED BY THE  
24 APPLICANT UPON THE DEPARTMENT'S REQUEST OR AS OTHERWISE  
25 ACQUIRED BY THE DEPARTMENT THROUGH ITS OWN REVIEW OR  
26 INVESTIGATION OF THE APPLICANT.

27 (d) The license shall be signed by the president and attested by the

1 secretary of the state board of health and have the STATE BOARD'S seal  
2 thereof affixed thereto. ~~Such~~ TO THE LICENSE. THE license expires one  
3 year from the date of issuance.

4 (e) (I) IN DETERMINING WHETHER A HEALTH FACILITY IS  
5 UNDERGOING A CHANGE OF OWNERSHIP THAT IS SUBJECT TO THE  
6 DEPARTMENT'S APPROVAL FOR LICENSING PURPOSES, THE DEPARTMENT  
7 SHALL REVIEW THE FITNESS OF A NEW OWNER ONLY WHEN A TRANSACTION  
8 RESULTS IN A TRANSFER TO ONE OR MORE NEW OWNERS OF AT LEAST FIFTY  
9 PERCENT OF DIRECT OR INDIRECT OWNERSHIP INTEREST IN THE HEALTH  
10 FACILITY. IF A FITNESS REVIEW IS TRIGGERED, THE DEPARTMENT SHALL  
11 CONDUCT THE REVIEW ONLY OF A NEW OWNER ACQUIRING A DIRECT  
12 OWNERSHIP INTEREST, AND THE DEPARTMENT SHALL NOT CONDUCT A  
13 FITNESS REVIEW OF A NEW OWNER THAT HAS BEEN SUBJECT TO A FITNESS  
14 REVIEW WITH RESPECT TO A HEALTH FACILITY LICENSE CONDUCTED  
15 WITHIN THREE YEARS OF THE DATE OF THE APPLICATION FOR A TRANSFER  
16 OF OWNERSHIP.

17 (II) A CONVERSION OF THE HEALTH FACILITY'S LEGAL STRUCTURE,  
18 OR THE LEGAL STRUCTURE OF AN ENTITY THAT HAS AN INDIRECT  
19 OWNERSHIP INTEREST IN THE HEALTH FACILITY, IS NOT A CHANGE OF  
20 OWNERSHIP UNLESS THE CONVERSION ALSO INCLUDES A TRANSFER OF AT  
21 LEAST FIFTY PERCENT OF THE LICENSED FACILITY'S DIRECT OR INDIRECT  
22 OWNERSHIP INTEREST TO ONE OR MORE NEW OWNERS.

23 **SECTION 5.** In Colorado Revised Statutes, **amend** 25-3-102.1  
24 as follows:

25 **25-3-102.1. Deemed status for certain facilities.** (1) (a) In the  
26 licensing of an ambulatory surgical center following the issuance of initial  
27 licensure by the department OF PUBLIC HEALTH AND ENVIRONMENT, the

1 voluntary submission of satisfactory evidence that the applicant is  
2 accredited by the joint commission, the American association for  
3 accreditation of ambulatory surgery facilities, inc., the accreditation  
4 association for ambulatory health care, the American osteopathic  
5 association, or any successor entities shall be deemed to meet certain  
6 requirements for license renewal so long as the standards for accreditation  
7 applied by the accrediting organization are at least as stringent as the  
8 licensure requirements otherwise specified by the department.

9 (b) (I) IN THE APPLICATION FOR OR RENEWAL OF A LICENSE OF A  
10 HEALTH FACILITY DESCRIBED IN SECTION 25-3-101, OTHER THAN AN  
11 AMBULATORY SURGICAL CENTER, THE DEPARTMENT OF PUBLIC HEALTH  
12 AND ENVIRONMENT SHALL DEEM A CERTIFICATION, ACCREDITATION, OR  
13 REGULATION AS SATISFACTION OF THE REQUIREMENTS FOR A NEW LICENSE  
14 OR LICENSE RENEWAL IF THE HEALTH FACILITY SUBMITS SATISFACTORY  
15 EVIDENCE THAT:

16 (A) THE HEALTH FACILITY IS ACCREDITED BY THE JOINT  
17 COMMISSION, THE COMMUNITY HEALTH ACCREDITATION PROGRAM, OR  
18 ANY OTHER NATIONALLY RECOGNIZED ACCREDITING ORGANIZATION OR  
19 BODY THAT SURVEYS OR ACCREDITS THE PARTICULAR HEALTH FACILITY;  
20 OR

21 (B) THE HEALTH FACILITY IS A PROVIDER FOR THE PACE PROGRAM  
22 ESTABLISHED PURSUANT TO SECTION 25.5-5-412, C.R.S., AND IS A PARTY  
23 TO AND REGULATED PURSUANT TO A THREE-WAY AGREEMENT WITH THE  
24 CENTERS FOR MEDICARE AND MEDICAID SERVICES AND THE DEPARTMENT  
25 OF HEALTH CARE POLICY AND FINANCING.

26 (II) IF THE STANDARDS FOR ACCREDITATION BY A NATIONALLY  
27 RECOGNIZED ACCREDITING ORGANIZATION OR BODY FOR THE PARTICULAR

1 HEALTH FACILITY OR FOR REGULATION OF PACE PROVIDERS PURSUANT TO  
2 THE THREE-WAY AGREEMENT WITH THE CENTERS FOR MEDICARE AND  
3 MEDICAID SERVICES AND DEPARTMENT OF HEALTH CARE POLICY AND  
4 FINANCING ARE LESS STRINGENT THAN THE STATE'S LICENSURE  
5 STANDARDS FOR THAT TYPE OF HEALTH FACILITY OR PROVIDER, THE  
6 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT MAY REQUEST  
7 ADDITIONAL INFORMATION REQUIRED FOR LICENSURE OF THAT TYPE OF  
8 HEALTH FACILITY OR PROVIDER UNDER STATE LAW THAT WAS NOT  
9 PREVIOUSLY SUBMITTED FOR ACCREDITATION OR REGULATION PURSUANT  
10 TO THE AGREEMENT. HOWEVER, THE DEPARTMENT OF PUBLIC HEALTH AND  
11 ENVIRONMENT SHALL NOT REQUIRE A PACE PROVIDER TO PROVIDE  
12 INFORMATION THAT IS REDUNDANT OR INCONSISTENT WITH THE FEDERAL  
13 REQUIREMENTS ESTABLISHED IN THE THREE-WAY AGREEMENT, INCLUDING  
14 THE OPENING OF CASES, THE REAUTHORIZATION OF HOME CARE PLANS  
15 EVERY SIXTY DAYS, AND THE REQUIREMENTS FOR SUPERVISION OF  
16 CERTIFIED NURSE AIDES BY REGISTERED NURSES. A PACE PROVIDER IS  
17 REQUIRED TO REPORT INSTANCES OF ABUSE AND NEGLECT TO THE  
18 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT ONLY IF APPLICABLE  
19 FEDERAL REGULATIONS REQUIRE REPORTING OF SUCH INSTANCES.

20 (c) Upon submission of a completed application for license  
21 renewal, the department OF PUBLIC HEALTH AND ENVIRONMENT shall  
22 accept proof of the accreditation in lieu of licensing inspections or other  
23 requirements. Nothing in this section ~~shall be construed to exempt~~  
24 EXEMPTS an accredited ambulatory surgical center HEALTH FACILITY from  
25 inspections or from other forms of oversight by the department as  
26 necessary to ensure public health and safety.

27 (2) In determining fees otherwise payable by an ambulatory

1 ~~surgical center~~ A HEALTH FACILITY for license renewal, the department OF  
2 PUBLIC HEALTH AND ENVIRONMENT shall give due consideration to  
3 efficiencies and savings generated in connection with the deemed status  
4 process in subsection (1) of this section and shall specifically provide an  
5 appropriate credit or reduced fee to ~~an ambulatory surgical center~~ A  
6 HEALTH FACILITY that achieves license renewal through deemed status.

7 **SECTION 6.** In Colorado Revised Statutes, 25-3-103, **amend** (1)  
8 (a); and **add** (1) (c) as follows:

9 **25-3-103. License denial or revocation - provisional license -**  
10 **rules.** (1) (a) The department of public health and environment may deny  
11 an application for a new or renewal license under this part 1 or revoke a  
12 license if the applicant or licensee has not satisfied the requirements of  
13 this part 1 or part 6 of this article and the rules of the department or the  
14 state board of health. If a license is denied or revoked, the department  
15 may grant the applicant or licensee a provisional license upon payment of  
16 a fee established by the state board of health by rule, SUBJECT TO THE  
17 LIMITATIONS IN PARAGRAPH (c) OF THIS SUBSECTION (1). The provisional  
18 license ~~shall be~~ IS valid for no longer than ninety days and may be issued  
19 to allow the applicant or licensee time to comply with the requirements  
20 for a regular license. A second provisional license may be issued if the  
21 department determines it is necessary to effect compliance. The second  
22 provisional license ~~shall~~ MUST be issued for the same duration as the first  
23 provisional license upon payment of the fee established by the state board  
24 of health by rule, SUBJECT TO THE LIMITATIONS IN PARAGRAPH (c) OF THIS  
25 SUBSECTION (1). No further provisional licenses may be issued for the  
26 then current year after the second issuance.

27 (c) ON OR AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (c),

1 THE STATE BOARD OF HEALTH SHALL NOT INCREASE THE AMOUNT OF A  
2 PROVISIONAL LICENSE FEE ESTABLISHED PURSUANT TO PARAGRAPH (a) OF  
3 THIS SUBSECTION (1) ABOVE THE AMOUNT OF A PROVISIONAL LICENSE FEE  
4 THAT IS IN EFFECT ON THE EFFECTIVE DATE OF THIS PARAGRAPH (c).  
5 NOTHING IN THIS PARAGRAPH (c) LIMITS THE ABILITY OF THE STATE  
6 BOARD OF HEALTH TO REDUCE THE AMOUNT OF A PROVISIONAL LICENSE  
7 FEE IN EFFECT ON SUCH DATE OR TO MODIFY FEES IN ACCORDANCE WITH  
8 PARAGRAPH (b) OF THIS SUBSECTION (1) AS NECESSARY TO COMPLY WITH  
9 SECTION 24-75-402, C.R.S.

10 **SECTION 7.** In Colorado Revised Statutes, 25-3-105, **amend** (1)  
11 (a) (I) and (2) as follows:

12 **25-3-105. License - fee - rules - penalty.** (1) (a) (I) (A) SUBJECT  
13 TO THE LIMITATIONS IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH  
14 (I), the state board of health shall establish a schedule of fees, which ~~shall~~  
15 MUST be set at a level sufficient to meet the direct ~~and indirect~~ costs of  
16 administration and enforcement of this article, as appropriated by the  
17 general assembly for each fiscal year, less any moneys appropriated for  
18 the same fiscal year by the general assembly from any other source to  
19 meet such costs. The fee schedule ~~shall~~ MUST also ensure that the reserve  
20 balance in the health facilities general licensure cash fund created in  
21 section 25-3-103.1 (1) is consistent with the limits specified in section  
22 24-75-402 (3), C.R.S., and ~~shall~~ MUST be modified, as necessary, to  
23 comply with said limits. The state board shall establish and modify, as  
24 necessary, the fee schedule by rules adopted in accordance with article 4  
25 of title 24, C.R.S. Except as specified in subparagraph (II) of this  
26 paragraph (a), the department OF PUBLIC HEALTH AND ENVIRONMENT may  
27 assess fees in accordance with the fee schedule established by the state

1 board against health facilities licensed by the department. All fees  
2 collected pursuant to the fee schedule ~~shall~~ MUST be deposited in the  
3 health facilities general licensure cash fund created in section 25-3-103.1  
4 (1) and ~~shall be~~ ARE subject to appropriation by the general assembly in  
5 accordance with section 25-3-103.1 (2).

6 (B) ON OR AFTER THE EFFECTIVE DATE OF THIS  
7 SUB-SUBPARAGRAPH (B), THE STATE BOARD OF HEALTH SHALL NOT  
8 INCREASE THE AMOUNT OF ANY FEE ON THE SCHEDULE OF FEES  
9 ESTABLISHED PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS  
10 SUBPARAGRAPH (I) ABOVE THE AMOUNTS ON THE SCHEDULE THAT IS IN  
11 EFFECT ON THE EFFECTIVE DATE OF THIS SUB-SUBPARAGRAPH (B).  
12 NOTHING IN THIS SUB-SUBPARAGRAPH (B) LIMITS THE ABILITY OF THE  
13 STATE BOARD OF HEALTH TO REDUCE THE AMOUNT OF ANY FEE ON THE  
14 SCHEDULE OF FEES IN EFFECT ON SUCH DATE OR TO MODIFY FEES AS  
15 NECESSARY TO COMPLY WITH SECTION 24-75-402, C.R.S.

16 (C) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
17 SHALL INSTITUTE, BY RULE, A PERFORMANCE INCENTIVE SYSTEM FOR  
18 LICENSED HEALTH FACILITIES UNDER WHICH A LICENSED HEALTH FACILITY  
19 WOULD BE ELIGIBLE FOR A TEN PERCENT REDUCTION IN ITS LICENSE  
20 RENEWAL FEE IF: THE DEPARTMENT'S ON-SITE RELICENSURE INSPECTION  
21 DEMONSTRATES THAT THE HEALTH FACILITY HAS NO SIGNIFICANT  
22 DEFICIENCIES THAT HAVE NEGATIVELY AFFECTED THE LIFE, SAFETY, OR  
23 HEALTH OF ITS CONSUMERS; THE LICENSED HEALTH FACILITY HAS FULLY  
24 AND TIMELY COOPERATED WITH THE DEPARTMENT DURING THE ON-SITE  
25 INSPECTION; THE DEPARTMENT HAS FOUND NO DOCUMENTED ACTUAL OR  
26 POTENTIAL HARM TO CONSUMERS; AND, IN THE CASE WHERE ANY  
27 SIGNIFICANT DEFICIENCIES ARE FOUND THAT DO NOT NEGATIVELY AFFECT

1 THE LIFE, SAFETY, OR HEALTH OF CONSUMERS, THE LICENSED HEALTH  
2 FACILITY HAS SUBMITTED, AND THE DEPARTMENT HAS ACCEPTED, A PLAN  
3 OF CORRECTION AND THE HEALTH FACILITY HAS CORRECTED THE  
4 DEFICIENT PRACTICE, AS VERIFIED BY THE DEPARTMENT, WITHIN THE  
5 PERIOD REQUIRED BY THE DEPARTMENT.

6 (2) The department of public health and environment shall  
7 maintain a full, true, and accurate ~~cost~~ ACCOUNTING OF THE COSTS of  
8 providing services under this article ~~including indirect costs~~ AND, AT  
9 LEAST ANNUALLY, SHALL PROVIDE A DETAILED COST ACCOUNTING REPORT  
10 TO THE HEALTH CARE INDUSTRY FACILITY ADVISORY COUNCIL CREATED  
11 IN SECTION 25-3-112. The department of ~~public health and environment~~  
12 shall regularly evaluate and update its cost-accounting methods.

13 **SECTION 8.** In Colorado Revised Statutes, **add** 25-3-112 as  
14 follows:

15 **25-3-112. Health care industry facility advisory council -**  
16 **creation - membership - duties - repeal.** (1) THERE IS HEREBY CREATED  
17 IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT THE HEALTH  
18 CARE INDUSTRY FACILITY ADVISORY COUNCIL, REFERRED TO IN THIS  
19 SECTION AS THE "ADVISORY COUNCIL". THE PURPOSE OF THE ADVISORY  
20 COUNCIL IS TO ADVISE THE DEPARTMENT AND THE STATE BOARD OF  
21 HEALTH ON MATTERS RELATED TO STATE LICENSURE OF HEALTH CARE  
22 FACILITIES LISTED IN SECTIONS 25-1.5-103 (1) AND 25-3-101.

23 (2) (a) THE ADVISORY COUNCIL CONSISTS OF ONE MEMBER  
24 REPRESENTING EACH TYPE OF HEALTH CARE FACILITY THAT IS LICENSED  
25 BY THE DEPARTMENT PURSUANT TO SECTION 25-1.5-103 (1). BY JANUARY  
26 1, 2013, THE GOVERNOR, THE SPEAKER OF THE HOUSE OF  
27 REPRESENTATIVES, AND THE PRESIDENT OF THE SENATE SHALL MAKE AN

1 EQUAL NUMBER OF APPOINTMENTS TO THE ADVISORY COUNCIL, BUT IF THE  
2 NUMBER OF MEMBERS NEEDED CANNOT BE EQUALLY APPOINTED AMONG  
3 THE THREE APPOINTING OFFICERS, THE GOVERNOR SHALL APPOINT THE  
4 REMAINING MEMBERS TO THE ADVISORY COUNCIL.

5 (b) MEMBERS OF THE ADVISORY COUNCIL SHALL SERVE TERMS OF  
6 THREE YEARS; EXCEPT THAT, OF THE MEMBERS FIRST APPOINTED,  
7 ONE-THIRD SHALL SERVE INITIAL ONE-YEAR TERMS, ONE-THIRD SHALL  
8 SERVE INITIAL TWO-YEAR TERMS, AND THE REMAINING MEMBERS SHALL  
9 SERVE INITIAL THREE-YEAR TERMS.

10 (c) IN THE EVENT OF A VACANCY ON THE ADVISORY COUNCIL, THE  
11 VACANCY MUST BE FILLED BY A NEW MEMBER APPOINTED BY THE  
12 ORIGINAL APPOINTING OFFICER FOR THE POSITION VACATED AND FOR THE  
13 REMAINDER OF THE UNEXPIRED TERM. ANY MEMBER WHO HAS TWO  
14 CONSECUTIVE UNEXCUSED ABSENCES FROM MEETINGS OF THE ADVISORY  
15 COUNCIL IS DEEMED TO HAVE VACATED HIS OR HER MEMBERSHIP ON THE  
16 ADVISORY COUNCIL AND MUST BE REPLACED BY A VACANCY APPOINTMENT  
17 IN THE MANNER DESCRIBED IN THIS PARAGRAPH (c), AND THE PERSON SO  
18 APPOINTED SHALL SERVE THE REMAINDER OF THAT MEMBER'S UNEXPIRED  
19 TERM.

20 (d) MEMBERS OF THE ADVISORY COUNCIL SHALL SERVE WITHOUT  
21 COMPENSATION OR REIMBURSEMENT OF THEIR EXPENSES INCURRED IN THE  
22 PERFORMANCE OF THEIR DUTIES.

23 (e) A MAJORITY OF MEMBERS OF THE ADVISORY COUNCIL  
24 CONSTITUTES A QUORUM.

25 (f) THE ADVISORY COUNCIL MUST MEET AT LEAST QUARTERLY, AT  
26 THE CALL OF THE CHAIRPERSON OR AT THE REQUEST OF ANY MEMBER, AND  
27 MAY MEET AS OFTEN AS DEEMED NECESSARY BY THE ADVISORY COUNCIL

1 TO CARRY OUT ITS DUTIES AS SET FORTH IN THIS SECTION. AT THE FIRST  
2 MEETING AFTER THE INITIAL APPOINTMENTS OF MEMBERS TO THE  
3 ADVISORY COUNCIL, AND EACH YEAR THEREAFTER, THE MEMBERS OF THE  
4 ADVISORY COUNCIL SHALL ELECT A CHAIRPERSON TO SERVE A ONE-YEAR  
5 TERM.

6 (3) THE ADVISORY COUNCIL SHALL PERFORM THE FOLLOWING  
7 FUNCTIONS:

8 (a) ADVISE THE DEPARTMENT OF PUBLIC HEALTH AND  
9 ENVIRONMENT AND THE STATE BOARD OF HEALTH ON PROPOSED  
10 STANDARDS FOR THE OPERATION OF LICENSED HEALTH CARE FACILITIES  
11 IDENTIFIED IN SECTIONS 25-1.5-103 AND 25-3-101;

12 (b) PRIOR TO THE ADOPTION OF NEW RULES REGARDING HEALTH  
13 CARE FACILITY LICENSURE OR AMENDMENTS TO HEALTH CARE FACILITY  
14 LICENSURE RULES EXISTING PRIOR TO JULY 1, 2012, REVIEW AND MAKE  
15 RECOMMENDATIONS TO THE DEPARTMENT OF PUBLIC HEALTH AND  
16 ENVIRONMENT AND THE STATE BOARD OF HEALTH REGARDING PROPOSED  
17 NEW LICENSURE RULES AND MODIFICATIONS TO LICENSURE RULES  
18 EXISTING PRIOR TO JULY 1, 2012;

19 (c) REVIEW AND MAKE RECOMMENDATIONS TO THE DEPARTMENT  
20 OF PUBLIC HEALTH AND ENVIRONMENT AND THE STATE BOARD OF HEALTH  
21 REGARDING MODIFICATIONS TO LICENSING FEES ESTABLISHED PRIOR TO  
22 JULY 1, 2012;

23 (d) REVIEW AND MAKE RECOMMENDATIONS CONCERNING  
24 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT GUIDELINES,  
25 POLICIES, AND PROCEDURES FOR THE LICENSURE OF HEALTH FACILITIES  
26 PRIOR TO IMPLEMENTATION OF THE GUIDELINES, POLICIES, AND  
27 PROCEDURES; AND

1 (e) SEEK ADVICE AND COUNSEL, INCLUDING THE ESTABLISHMENT  
2 OF AD HOC COMMITTEES COMPRISED OF OTHER INDIVIDUALS, GROUPS,  
3 ORGANIZATIONS, OR ASSOCIATIONS, WHEN, IN THE JUDGMENT OF THE  
4 ADVISORY COUNCIL, IT IS ADVISABLE TO OBTAIN NECESSARY EXPERTISE  
5 FOR THE PURPOSE OF MEETING THE ADVISORY COUNCIL'S RESPONSIBILITIES  
6 UNDER THIS SECTION.

7 (4) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AND  
8 THE STATE BOARD OF HEALTH SHALL ACCEPT AND TAKE INTO  
9 CONSIDERATION THE RECOMMENDATIONS MADE BY THE ADVISORY  
10 COUNCIL PURSUANT TO THIS SECTION BEFORE TAKING ACTION ON ANY OF  
11 THE MATTERS ON WHICH THE ADVISORY COUNCIL SUBMITS  
12 RECOMMENDATIONS.

13 (5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2022.  
14 PRIOR TO ITS REPEAL, THE DEPARTMENT OF REGULATORY AGENCIES SHALL  
15 CONDUCT A REVIEW OF THE FUNCTIONS OF THE ADVISORY COUNCIL IN  
16 ACCORDANCE WITH SECTION 2-3-1203, C.R.S.

17 **SECTION 9.** In Colorado Revised Statutes, 2-3-1203, **add** (3)  
18 (ii.5) as follows:

19 **2-3-1203. Sunset review of advisory committees.** (3) The  
20 following dates are the dates for which the statutory authorization for the  
21 designated advisory committees is scheduled for repeal:

22 (ii.5) SEPTEMBER 1, 2022:

23 (I) THE HEALTH CARE INDUSTRY FACILITY ADVISORY COUNCIL  
24 CREATED IN SECTION 25-3-112, C.R.S.

25 **SECTION 10.** In Colorado Revised Statutes, 25-27.5-103,  
26 **amend** (2) as follows:

27 **25-27.5-103. License required - civil and criminal penalties.**

1 (2) (a) On or after June 1, 2009, any home care placement agency shall  
2 notify the department in writing that it provides referrals for skilled home  
3 health services or personal care services and shall annually update such  
4 notice. The department shall maintain a list of all home care placement  
5 agencies and shall make the list accessible to the public. A HOME CARE  
6 PLACEMENT AGENCY IS NOT LICENSED OR CERTIFIED BY THE DEPARTMENT  
7 AND SHALL NOT CLAIM OR ASSERT THAT THE DEPARTMENT LICENSES OR  
8 CERTIFIES THE HOME CARE PLACEMENT AGENCY.

9 (b) A person who violates this section may be subject to a civil  
10 penalty assessed by the department that is not less than five hundred  
11 dollars per year or more than one thousand dollars per year for failure to  
12 register with the department OR FOR CLAIMING TO BE LICENSED OR  
13 CERTIFIED BY THE DEPARTMENT. The department shall assess, enforce,  
14 and collect the penalty in accordance with article 4 of title 24, C.R.S. Any  
15 moneys collected shall be deposited in the home care agency cash fund  
16 created in section 25-27.5-105.

17 **SECTION 11.** In Colorado Revised Statutes, 25-27.5-104,  
18 **amend** (1) introductory portion as follows:

19 **25-27.5-104. Minimum standards for home care agencies -**  
20 **rules - advisory committee.** (1) ~~On or before May 1, 2009,~~ The state  
21 board shall promulgate rules pursuant to section 24-4-103, C.R.S.,  
22 providing minimum standards for the operation of home care agencies  
23 within the state of Colorado. In promulgating these rules, the state board  
24 shall ~~consider the~~ ESTABLISH different requirements appropriate to the  
25 various types of skilled home health and personal care services, including  
26 differentiating requirements for providers that are substantially funded  
27 through medicare and medicaid reimbursement, providers for the program

1 of all-inclusive care for the elderly established in section 25.5-5-412,  
2 C.R.S., providers that are already licensed under this title, and providers  
3 that are solely or substantially privately funded. This differentiation ~~may~~  
4 SHALL consider the requirements already imposed by other federal and  
5 state regulatory agencies AND SHALL NOT REQUIRE A PROVIDER FOR THE  
6 PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY TO PROVIDE  
7 INFORMATION THAT IS REDUNDANT OR INCONSISTENT WITH THE FEDERAL  
8 REQUIREMENTS ESTABLISHED FOR THE PROVIDER PURSUANT TO A  
9 THREE-WAY AGREEMENT BETWEEN THE PROVIDER, THE CENTERS OF  
10 MEDICARE AND MEDICAID SERVICES, AND THE DEPARTMENT OF HEALTH  
11 CARE POLICY AND FINANCING. Such rules ~~shall~~ MUST include ~~but need not~~  
12 ~~be limited to~~, the following:

13 **SECTION 12.** In Colorado Revised Statutes, 27-10.5-109,  
14 **amend** (2), (3), (4), (5), and (6) introductory portion as follows:

15 **27-10.5-109. Community residential home - licenses - rules.**

16 (2) (a) ~~The department of public health and environment and the~~  
17 ~~department of human services shall implement a system of joint licensure~~  
18 ~~and certification of community residential homes. Independent residential~~  
19 ~~support services provided by the department of human services do not~~  
20 ~~require licensure by the department of public health and environment.~~

21 (b) IN THE APPLICATION FOR OR RENEWAL OF A LICENSE AND  
22 CERTIFICATION OF A COMMUNITY RESIDENTIAL HOME, IF THE COMMUNITY  
23 RESIDENTIAL HOME SUBMITS SATISFACTORY EVIDENCE THAT IT IS  
24 ACCREDITED BY A NATIONALLY RECOGNIZED ACCREDITING ORGANIZATION  
25 OR BODY THAT SURVEYS OR ACCREDITS COMMUNITY RESIDENTIAL HOMES,  
26 THE DEPARTMENT SHALL DEEM THAT ACCREDITATION OR SURVEY AS  
27 SATISFACTION OF THE REQUIREMENTS FOR A NEW LICENSE AND

1 CERTIFICATION OR LICENSE AND CERTIFICATION RENEWAL. IF THE  
2 STANDARDS FOR NATIONAL ACCREDITATION OF A COMMUNITY  
3 RESIDENTIAL HOME ARE LESS STRINGENT THAN THE STATE'S STANDARDS  
4 FOR LICENSURE AND CERTIFICATION, THE DEPARTMENT MAY REQUEST  
5 ADDITIONAL INFORMATION REQUIRED FOR LICENSURE AND CERTIFICATION  
6 OF COMMUNITY RESIDENTIAL HOMES UNDER STATE LAW THAT WAS NOT  
7 PREVIOUSLY SUBMITTED FOR THE ACCREDITATION.

8 (3) (a) ~~The department of public health and environment and the~~  
9 ~~department of human services, IN CONSULTATION WITH THE DEPARTMENT~~  
10 ~~OF PUBLIC HEALTH AND ENVIRONMENT, shall develop standards for the~~  
11 ~~licensure and certification of community residential homes. Such THE~~  
12 ~~standards shall include health, life, and fire safety, as well as standards to~~  
13 ~~ensure the effective delivery of services and supports to residents; except~~  
14 ~~that any community residential home must comply with local codes.~~  
15 ~~These~~

16 (b) WHEN REVIEWING A LICENSE AND CERTIFICATION APPLICATION  
17 OR A REQUEST FOR APPROVAL OF A NEWLY CONSTRUCTED OR REMODELED  
18 COMMUNITY RESIDENTIAL HOME, THE DEPARTMENT SHALL NOT IMPOSE  
19 STANDARDS FOR CONSTRUCTION THAT ARE MORE STRINGENT THAN OR DO  
20 NOT COMPLY WITH NATIONAL, STATE, AND LOCAL BUILDING CODES  
21 APPLICABLE TO THE LOCATION AND COMMUNITY RESIDENTIAL HOME.

22 (c) (I) THE DEPARTMENT SHALL ADOPT THE standards ~~shall, as~~  
23 ~~appropriate, be adopted in~~ BY rule ~~by the department of human services~~  
24 ~~or the state board of health and shall specify the responsibilities of each~~  
25 ~~department in the program. Surveys undertaken~~ AND SHALL SURVEY  
26 COMMUNITY RESIDENTIAL HOMES to ensure compliance with ~~these~~ THE  
27 standards. ~~shall, as appropriate, be undertaken as joint surveys by the~~

1 ~~departments.~~

2 (II) IF A SERVICE AGENCY OPERATES A COMMUNITY RESIDENTIAL  
3 HOME AND PROVIDES PERSONAL CARE SERVICES, AS DEFINED IN SECTION  
4 25-27.5-102, C.R.S., THE DEPARTMENT IS RESPONSIBLE FOR SURVEYING  
5 THOSE SERVICES PROVIDED BY THE SERVICE AGENCY, WHICH SURVEY  
6 SHALL BE CONDUCTED SIMULTANEOUSLY WITH THE SURVEY OF THE  
7 COMMUNITY RESIDENTIAL HOME.

8 (III) THE DEPARTMENT SHALL CONDUCT ONLY AN ABBREVIATED,  
9 PERIODIC INSPECTION OR SURVEY OF A COMMUNITY RESIDENTIAL HOME  
10 LICENSED AND CERTIFIED FOR AT LEAST THREE YEARS AND AGAINST  
11 WHICH NO ENFORCEMENT ACTIVITY HAS BEEN TAKEN AND NO  
12 SUBSTANTIATED COMPLAINT RESULTING IN THE DISCOVERY OF  
13 SIGNIFICANT DEFICIENCIES THAT MAY NEGATIVELY AFFECT THE LIFE,  
14 HEALTH, OR SAFETY OF CONSUMERS OF THE COMMUNITY RESIDENTIAL  
15 HOME HAS BEEN RECEIVED WITHIN THE THREE YEARS PRIOR TO THE DATE  
16 OF THE INSPECTION OR SURVEY. THE DEPARTMENT, BY RULE, SHALL  
17 ESTABLISH AN ABBREVIATED, PERIODIC INSPECTION OR SURVEY SYSTEM  
18 DESIGNED, AT A MINIMUM, TO:

19 (A) REDUCE THE TIME NEEDED FOR AND COSTS OF INSPECTIONS  
20 AND LICENSE AND CERTIFICATION RENEWALS FOR BOTH THE DEPARTMENT  
21 AND THE COMMUNITY RESIDENTIAL HOME;

22 (B) REDUCE THE NUMBER, FREQUENCY, AND DURATION OF ON-SITE  
23 INSPECTIONS;

24 (C) REDUCE THE SCOPE OF DATA THAT COMMUNITY RESIDENTIAL  
25 HOMES ARE REQUIRED TO SUBMIT OR PROVIDE TO THE DEPARTMENT IN  
26 CONNECTION WITH THE INSPECTION OR SURVEY AND LICENSE AND  
27 CERTIFICATION RENEWAL;

1 (D) REDUCE THE AMOUNT OF DUPLICATIVE DATA, REPORTS, AND  
2 INFORMATION REQUIRED TO COMPLETE THE INSPECTION OR SURVEY OR  
3 THE LICENSE AND CERTIFICATION RENEWAL; AND

4 (E) BE BASED ON A SAMPLE OF THE COMMUNITY RESIDENTIAL  
5 HOME SIZE.

6 (d) THE DEPARTMENT SHALL INSTITUTE, BY RULE, A PERFORMANCE  
7 INCENTIVE SYSTEM FOR COMMUNITY RESIDENTIAL HOMES UNDER WHICH  
8 A COMMUNITY RESIDENTIAL HOME WOULD BE ELIGIBLE FOR A TEN  
9 PERCENT REDUCTION IN ITS LICENSE AND CERTIFICATION RENEWAL FEE IF:

10 (I) THE DEPARTMENT'S ON-SITE RELICENSURE INSPECTION  
11 DEMONSTRATES THAT THE COMMUNITY RESIDENTIAL HOME HAS NO  
12 SIGNIFICANT DEFICIENCIES THAT HAVE NEGATIVELY AFFECTED THE LIFE,  
13 SAFETY, OR HEALTH OF ITS CONSUMERS;

14 (II) THE COMMUNITY RESIDENTIAL HOME HAS FULLY AND TIMELY  
15 COOPERATED WITH THE DEPARTMENT DURING THE ON-SITE INSPECTION;

16 (III) THE DEPARTMENT HAS FOUND NO DOCUMENTED ACTUAL OR  
17 POTENTIAL HARM TO CONSUMERS; AND

18 (IV) IN THE CASE WHERE ANY SIGNIFICANT DEFICIENCIES ARE  
19 FOUND THAT DO NOT NEGATIVELY AFFECT THE LIFE, SAFETY, OR HEALTH  
20 OF CONSUMERS, THE COMMUNITY RESIDENTIAL HOME HAS SUBMITTED,  
21 AND THE DEPARTMENT HAS ACCEPTED, A PLAN OF CORRECTION AND THE  
22 HOME HAS CORRECTED THE DEFICIENT PRACTICE, AS VERIFIED BY THE  
23 DEPARTMENT, WITHIN THE PERIOD REQUIRED BY THE DEPARTMENT.

24 (4) Any community residential home applying for a license ~~or~~ AND  
25 certification on or after January 1, 1986, shall accommodate at least four  
26 but no more than eight persons with developmental disabilities. All  
27 licenses and certificates issued by ~~the department of public health and~~

1 ~~environment or the department of human services shall~~ MUST bear the  
2 date of issuance and ~~shall be~~ ARE valid for not more than a  
3 twenty-four-month period.

4 (5) The issuance, suspension, revocation, modification, renewal,  
5 or denial of a license ~~or~~ AND certification ~~shall be~~ IS governed by ~~the~~  
6 ~~provisions of~~ section 24-4-104, C.R.S. The failure of a community  
7 residential home to comply with ~~the provisions of~~ this article and the rules  
8 promulgated ~~thereunder~~, PURSUANT TO THIS ARTICLE or any local fire,  
9 safety, and health codes ~~shall be~~ IS sufficient grounds for ~~the department~~  
10 ~~of public health and environment or the department of human services~~ to  
11 deny, suspend, revoke, or modify the community residential home's  
12 license ~~or~~ AND certification.

13 (6) ~~The department of human services and the state board of~~  
14 ~~health~~ shall promulgate ~~such~~ rules as ~~are~~ necessary to implement this  
15 section, pursuant to the provisions specified in article 4 of title 24, C.R.S.  
16 The rules shall include ~~but shall not be limited to~~, the following:

17 **SECTION 13. No appropriation.** The general assembly has  
18 determined that this act can be implemented within existing  
19 appropriations, and therefore no separate appropriation of state moneys  
20 is necessary to carry out the purposes of this act.

21 **SECTION 14. Safety clause.** The general assembly hereby finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, and safety.