

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0739.01 Megan McCall x4215

HOUSE BILL 25-1223

HOUSE SPONSORSHIP

Johnson and Lukens,

SENATE SPONSORSHIP

Pelton R. and Roberts,

House Committees

Health & Human Services
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CAPITAL NEEDS OF RURAL AND FRONTIER HOSPITALS,**
102 **AND, IN CONNECTION THEREWITH, DIRECTING THE DEPARTMENT**
103 **OF PUBLIC HEALTH AND ENVIRONMENT TO CONDUCT A STUDY**
104 **AND CREATING A TASK FORCE TO OVERSEE THE STUDY.**

Bill Summary

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

The bill directs the department of public health and environment (department) to conduct a study of capital needs for rural and frontier hospitals throughout the state. Specifically, the study must measure the

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

number of studied facilities that are not compliant with current and relevant design and building code standards for health-care facilities, identify the age of core facilities and any additions to them, and estimate costs for renovating or replacing facilities identified as having capital needs. By June 30, 2026, the department must complete the study and compile the results of the study into a report. The report must be presented to the respective health and human services committees of the senate and house of representatives.

The bill also creates the rural and frontier hospital capital needs study task force (task force). The task force is made up of the following 7 members who must be appointed on or before August 1, 2025:

- 3 members who work in rural or frontier hospitals;
- One member who is an architect professional;
- One member who is a construction contractor professional;
- One member who represents hospitals; and
- One member of the general public who lives in a rural area or frontier area.

The task force is responsible for developing and approving the parameters of the study and overseeing the study and the report. The task force may also facilitate contracting with a private sector consulting company to assist with data compilation, research, and outreach to rural and frontier hospitals. The task force is required to hold its first meeting by October 1, 2025, and meet at least quarterly after the first meeting until the study and the report are complete.

The study and the requirements imposed on the department, the task force, and any third-party entity in connection with the study are contingent upon money being available through gifts, grants, or donations for the purpose of conducting the study.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25-3-132 as
3 follows:

4 **25-3-132. Rural and frontier hospital capital needs study -**
5 **task force - creation - report - legislative declaration - definitions -**
6 **repeal.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

7 (a) MANY OF COLORADO'S RURAL AND FRONTIER HOSPITALS
8 OPERATE IN OUTDATED FACILITIES, AND SOME FACILITIES HAVE NOT HAD
9 ANY MEANINGFUL UPGRADES FOR DECADES;

1 (b) THESE HOSPITALS STRUGGLE WITH THE INCREASED
2 MAINTENANCE COSTS NECESSARY TO KEEP FACILITIES OPERATIONAL AND
3 ARE FALLING BEHIND IN BEING ABLE TO PROVIDE CARE THAT IS
4 CONSISTENT WITH CURRENT STANDARDS; AND

5 (c) AN INFORMAL STUDY CONDUCTED BY COLORADO RURAL
6 FUTURES, A GROUP OF CHIEF EXECUTIVE OFFICERS OF COLORADO RURAL
7 AND FRONTIER HOSPITALS, IDENTIFIED APPROXIMATELY FIVE HUNDRED
8 MILLION DOLLARS IN NEEDED UPGRADES FOR FACILITIES OF HOSPITALS
9 THAT WERE RESPONSIVE TO THE INFORMAL STUDY, BUT THE CAPITAL
10 NEEDS OF RURAL AND FRONTIER HOSPITALS THROUGHOUT THE STATE
11 COULD REQUIRE AN INVESTMENT OF AS MUCH AS ONE BILLION DOLLARS.

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

14 (a) "CASH FUND" MEANS THE RURAL AND FRONTIER HOSPITAL
15 CAPITAL NEEDS STUDY CASH FUND CREATED IN SUBSECTION (6)(c)(I) OF
16 THIS SECTION.

17 (b) "FRONTIER AREA" MEANS A COUNTY IN THE STATE THAT HAS
18 A POPULATION DENSITY OF SIX OR FEWER INDIVIDUALS PER ONE SQUARE
19 MILE.

20 (c) "RURAL AND FRONTIER HOSPITAL" MEANS A HOSPITAL THAT IS
21 LICENSED AS A GENERAL OR CRITICAL ACCESS HOSPITAL BY THE
22 DEPARTMENT AND THAT OPERATES IN A RURAL AREA OR A FRONTIER AREA.

23 (d) "RURAL AREA" MEANS AN AREA LISTED AS ELIGIBLE FOR RURAL
24 HEALTH FUNDING BY THE FEDERAL OFFICE OF RURAL HEALTH POLICY.

25 (e) "STUDY" MEANS THE STUDY REQUIRED PURSUANT TO THIS
26 SECTION.

27 (f) "TASK FORCE" MEANS THE RURAL AND FRONTIER HOSPITAL

1 CAPITAL NEEDS STUDY TASK FORCE CREATED IN SUBSECTION (4)(a) OF
2 THIS SECTION.

3 (3) SUBJECT TO OVERSIGHT BY THE TASK FORCE, THE DEPARTMENT
4 SHALL STUDY OR SHALL CONTRACT FOR A STUDY TO EVALUATE THE
5 CAPITAL NEEDS OF COLORADO RURAL AND FRONTIER HOSPITALS. THE
6 STUDY MUST:

7 (a) OBJECTIVELY MEASURE THE NUMBER OF STUDIED FACILITIES
8 THAT ARE NOT CODE COMPLIANT IN ACCORDANCE WITH THE CURRENT AND
9 RELEVANT EDITION OF THE FACILITY GUIDELINES INSTITUTE "GUIDELINES
10 FOR DESIGN AND CONSTRUCTION OF HEALTH CARE FACILITIES";

11 (b) IDENTIFY THE AGE OF CORE FACILITIES AND ADDITIONS THAT
12 HAVE BEEN MADE TO SUCH BUILDINGS;

13 (c) EVALUATE ESTIMATED PROJECT COST, INCLUDING
14 CONSTRUCTION COSTS AND RELEVANT PLANNING, DESIGN, AND
15 ENGINEERING COSTS, PER SQUARE FOOT TO RENOVATE OR REPLACE
16 FACILITIES IDENTIFIED AS HAVING CAPITAL NEEDS;

17 (d) MAKE A REASONABLE ESTIMATE OF THE TOTAL COST OF
18 CAPITAL NEEDS PER FACILITY AND THE AGGREGATE TOTAL COST OF
19 CAPITAL NEEDS FOR ALL FACILITIES IDENTIFIED IN THE STUDY; AND

20 (e) REVIEW OR EVALUATE ANY OTHER MATTERS CONCERNING
21 CAPITAL NEEDS OF RURAL AND FRONTIER HOSPITALS THAT ARE REQUESTED
22 BY THE TASK FORCE.

23 (4) (a) (I) THERE IS CREATED THE RURAL AND FRONTIER HOSPITAL
24 CAPITAL NEEDS STUDY TASK FORCE FOR THE PURPOSES OF DEVELOPING
25 AND APPROVING THE PARAMETERS OF THE STUDY AND OVERSEEING THE
26 STUDY AND THE REPORT OF THE RESULTS OF THE STUDY.

27 (II) IN ADDITION TO THE PURPOSE OF THE TASK FORCE SET FORTH

1 IN SUBSECTION (4)(a)(I) OF THIS SECTION, THE TASK FORCE MAY
2 FACILITATE CONTRACTING WITH A PRIVATE SECTOR CONSULTING
3 COMPANY TO ASSIST WITH DATA COMPILATION, RESEARCH, AND
4 OUTREACH TO RURAL AND FRONTIER HOSPITALS. THE TASK FORCE MAY
5 ESTABLISH THE FREQUENCY THAT THE TASK FORCE WANTS THE COMPANY
6 TO REPORT BACK TO THE TASK FORCE.

7 (b) (I) SUBJECT TO SUBSECTION (4)(b)(II) OF THIS SECTION, NOT
8 LATER THAN AUGUST 31, 2025, MEMBERS SHALL BE APPOINTED TO THE
9 TASK FORCE AS FOLLOWS:

10 (A) THE GOVERNOR SHALL APPOINT THREE MEMBERS; AND

11 (B) THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE
12 OF REPRESENTATIVES, THE MINORITY LEADER OF THE SENATE, AND THE
13 MINORITY LEADER OF THE HOUSE SHALL APPOINT ONE MEMBER EACH.

14 (II) THE COMPOSITION OF MEMBERS APPOINTED TO THE TASK
15 FORCE MUST BE AS FOLLOWS:

16 (A) THREE MEMBERS WHO WORK IN RURAL OR FRONTIER
17 HOSPITALS;

18 (B) ONE MEMBER WHO WORKS AS AN ARCHITECT PROFESSIONAL;

19 (C) ONE MEMBER WHO WORKS AS A CONSTRUCTION CONTRACTOR
20 PROFESSIONAL;

21 (D) ONE MEMBER WHO REPRESENTS HOSPITALS; AND

22 (E) ONE MEMBER OF THE GENERAL PUBLIC WHO LIVES IN A RURAL
23 AREA OR FRONTIER AREA.

24 (c) THE TASK FORCE SHALL HOLD ITS FIRST MEETING ON OR BEFORE
25 JANUARY 31, 2026, AND MEET AT LEAST QUARTERLY AFTER ITS FIRST
26 MEETING UNTIL THE REPORT REQUIRED BY SUBSECTION (5) OF THIS
27 SECTION IS COMPLETED AND MAY MEET MORE FREQUENTLY BEFORE THAT

1 DATE IF NEEDED. MEETINGS OF THE TASK FORCE MAY BE IN PERSON OR
2 ONLINE.

3 (5) NOT LATER THAN JANUARY 31, 2027, THE DEPARTMENT SHALL
4 COMPLETE THE STUDY AND COMPILE THE RESULTS OF THE STUDY INTO A
5 REPORT. THE DEPARTMENT SHALL PRESENT THE REPORT TO THE HOUSE OF
6 REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEE AND THE
7 SENATE HEALTH AND HUMAN SERVICES COMMITTEE, OR THEIR SUCCESSOR
8 COMMITTEES.

9 (6) (a) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
10 IMPLEMENTATION OF THIS SECTION BE FUNDED ENTIRELY BY GIFTS,
11 GRANTS, AND DONATIONS; THAT GIFTS, GRANTS, AND DONATIONS WILL BE
12 RECEIVED THROUGHOUT THE COURSE OF THE STUDY; AND THAT, IN
13 ACCORDANCE WITH SECTION 24-75-1305, NO ADDITIONAL GENERAL FUND
14 MONEY BE APPROPRIATED FOR THE IMPLEMENTATION OF THIS SECTION.
15 THE DEPARTMENT AND THE TASK FORCE MAY SEEK, ACCEPT, AND EXPEND
16 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES TO
17 IMPLEMENT THIS SECTION. THE DEPARTMENT SHALL NOT IMPLEMENT THIS
18 SECTION UNLESS IT RECEIVES AN AMOUNT OF GIFTS, GRANTS, AND
19 DONATIONS THAT IT DEEMS NECESSARY TO IMPLEMENT THIS SECTION.

20 (b) THE STUDY IS CONTINGENT ON MONEY BEING AVAILABLE TO
21 CARRY OUT THE STUDY. IF MONEY IS NOT AVAILABLE FOR THE TASK
22 FORCE, THE DEPARTMENT, OR ANY OTHER ENTITY TO CARRY OUT ITS
23 DUTIES REQUIRED PURSUANT TO THIS SECTION, THE TASK FORCE, THE
24 DEPARTMENT, OR THE ENTITY IS NOT REQUIRED TO CARRY OUT THE
25 DUTIES. A CONTRACT WITH A THIRD-PARTY ENTITY THAT WILL PROVIDE
26 SERVICES RELATED TO THE STUDY MUST BE CONTINGENT ON MONEY BEING
27 AVAILABLE FOR THAT PURPOSE.

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(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 2. No appropriation. The general assembly has determined that no appropriation of state money is necessary to carry out the purposes of this act.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.