



COLORADO

Governor Jared Polis

June 2, 2022

The Honorable Colorado General Assembly

The 73rd General Assembly

Second Regular Session

State Capitol

200 E. Colfax Ave.

Denver, CO 80203

Dear Honorable Members of the Colorado General Assembly:

Today I signed into law SB22-154, “Increasing Safety in Assisted Living Residences.” This bill takes steps towards increasing accountability, oversight, and compliance within the assisted living industry so that Coloradans can feel confident that their loved ones will receive the appropriate and dignified care we all deserve. In the deeply regrettable instances where those expectations and promises are not kept, our Colorado Department of Public Health and Environment will have additional tools to prevent additional costs from being incurred, support course correction, increase safety, and improve health outcomes.

One of my top priorities as Governor is to reduce health care costs for Coloradans. One of the ways we can do this is by avoiding unnecessary hospitalizations or transitions to skilled nursing by better and more efficiently supporting individual health in lower acuity care settings, such as assisted living. The Department of Health Care Policy and Financing’s Hospital Cost, Price, and Profit Review from August 2021 placed Colorado’s average price per hospital patient at roughly \$17,500, the sixth highest in the country. For 2021, Genworth Financial indicates that the median private skilled nursing room costs \$9,700 per month, more than double the assisted living rate of \$4,750 per month. These often unnecessary costs are prohibitive to Coloradans, insurance providers, and impact the overall system.

Making the decision to place a loved one in assisted living can sometimes be the best decision for a family or can lead to unintended medical impacts and additional costs for Colorado’s families. For instance, an involuntary discharge with little notice and planning can land vulnerable Coloradans with no recourse in the hospital, or worse homeless - ultimately increasing costs on individuals and our system. Residents with family nearby may be able to move in for a period of time, but this shifts caregiving duties to untrained family members which can lead to unintended medical impacts and reduce workforce participation. In addition, poor care can lead to costly missteps that result in residents requiring a higher, more costly level of care - this may be tied to a hospitalization or an avoidable event that increases medical needs, warranting transition to a skilled nursing setting. Residence compliance and health maintenance reduces hospital visits and delays, or eliminates entirely, transitions into skilled nursing settings. This protects valuable retirement savings and reduces unnecessary health care spending.

As Ben Franklin said, “an ounce of prevention is worth a pound of cure” and if we can prevent costly errors through better oversight it will save people money.

The components listed out in SB22-154 are intended to protect vulnerable Coloradans, reduce costly missteps which will help decrease costs for health care, and provide intermediate interventions that complement the current minimal and intensive interventions already available to the Health Facilities Division. It is important that the forthcoming rulemaking focus on cutting costs by reducing regulations for regulations sake, and focus on improving outcomes and increasing accountability

I therefore ask the Colorado Department of Public Health and Environment and the Board of Health to focus on reducing costs for residents of assisted living residences and improving efficiency by considering payor mix, facility size, and eliminating arbitrary rules or fines that constitute compliance for compliance sake and instead focusing on successful outcomes. I ask that where the bill allows for flexibility, new levels of fines be designed to eliminate costly misbehavior to improve outcomes for residents and reduce costs. Enforcement mechanisms determined through the Board of Health should go into effect no sooner than January 1, 2024 to allow time to develop the best system to reduce costs, support better health outcomes, and ensure appropriate enforcement aligned with the goals of the underlying legislation, while also allowing the industry to recover and stabilize following the COVID-19 pandemic.

I further encourage the Health Facilities Division to use enforcement discretion so as not to negatively impact access to care for Coloradans. I also ask that the Assisted Living Advisory Committee and Board of Health clearly address barriers to involuntary discharges for Coloradans who no longer meet an assisted living’s level of care or who may be a danger to residents and staff through rulemaking in a manner that does not place the assisted living residence and its residents at risk.

Additionally, I am directing the Commissioner of the Division of Insurance, part of the Department of Regulatory Agencies, to engage directly with insurance brokers and carriers who provide insurance policies for assisted living residences in order to further use this authority to reduce premiums to the extent practicable while maximizing healthy and stable living conditions in these residences.

There is much still to be done to support Coloradans who utilize our home and community-based care network and the providers responsible for providing these critical services across our state. I thank the sponsors for bringing SB22-154 in light of Colorado’s shifting demographics and the commitment of our provider community to supporting access to quality care while meeting our growing demand.

Sincerely,



Governor Jared Polis

