

**STATEMENT OF BASIS AND PURPOSE
AND SPECIFIC STATUTORY AUTHORITY FOR**

Amendments to Rules Pertaining to the Standards for Hospitals and Health Facilities
6 CCR 1011-1
Chapter XXVI, Home Care Agencies
September 21, 2011

Basis and Purpose:

The rules regarding the licensure of home care agencies (HCAs) were originally promulgated by the Board of Health in April 2009. Based upon the statutory direction at 25-27.5-104, the license fees were not to exceed \$1,500 for two years from that original effective date. The Department was also directed to issue an independent report no later than January 1, 2011, detailing the direct and indirect costs associated with the administration of HCA licensure. This report concluded that the expenses of the HCA licensure program had exceeded revenues for 2011 and would continue to rise based upon existing data. The Department, therefore, requested that the HCA advisory committee re-evaluate the current HCA license fees and make a recommendation to the Department and the Board regarding adjustment of those fees.

These rules are promulgated pursuant to the following statutes:

Section 25-27.5-104, C.R.S. (2011).
Section 25-1.5-103, C.R.S. (2011).

Major Factual and Policy Issues Encountered:

The major consideration regarding these rules was how to fairly assess HCA license fees so that they would generate sufficient revenue for the Department to fully administer the HCA program, yet not be financially burdensome to the individual HCAs.

Alternative rules considered:

The Department presented the HCA advisory committee with a number of different options to increase licensure revenues, decrease Department expenditures yet still meet statutory requirements, the needs of various stakeholders, and its responsibilities for public health and safety. The option presented here is the one that was chosen by a majority of the HCA advisory committee members.