

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 02-0781.01 Christy Chase

HOUSE BILL 02-1227

HOUSE SPONSORSHIP

Boyd,

SENATE SPONSORSHIP

Teck,

House Committees

Health, Environment, Welfare, & Institutions

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REMOVAL OF CERTAIN REQUIREMENTS REGARDING
102 MEDICAL BENEFIT PLANS OFFERED TO STATE EMPLOYEES TO
103 ENHANCE THE STATE PERSONNEL DIRECTOR'S ABILITY TO
104 NEGOTIATE BETTER MEDICAL BENEFIT RATES FOR STATE
105 EMPLOYEES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Removes the restrictions imposed on the state personnel director concerning the number and types of medical benefit plans that must be offered to state employees. Allows the state personnel director to determine the number and types of medical benefit plans to be offered to

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.

state employees in order to enhance the ability of the state personnel director to negotiate better rates for medical benefit plans.

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

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

4 (a) Health care costs in the state of Colorado have dramatically
5 increased in recent years, resulting in corresponding increases in health
6 insurance premiums.

7 (b) State employees have incurred drastic increases in their share
8 of premiums for state medical benefit plans.

9 (c) While rising health care costs are attributed to the increasing
10 costs for medical benefit premiums, another factor that contributes to
11 these increasing costs for state employees is the various restrictions
12 imposed on the state personnel director when negotiating medical benefit
13 plans on behalf of state employees.

14 (d) Current law imposes requirements regarding the number and
15 types of medical benefit plans that must be offered to state employees,
16 thereby reducing the state personnel director's negotiating power and
17 ability to contract with carriers for the best benefit plans at the most
18 cost-effective rates.

19 (e) In order to enhance the state personnel director's ability to
20 negotiate better medical benefits rates for state employees while offering
21 medical coverage to state employees, it is the policy of the state to
22 provide the state personnel director with the discretion to determine the
23 number and types of medical benefit plans to be offered to state
24 employees.

25 **SECTION 2.** 24-50-606 (1), (2), and (3), Colorado Revised

1 Statutes, are amended to read:

2 **24-50-606. Choice of medical plans - requirement for inclusion**
3 **of essential providers.** (1) ~~In the city and county of Denver, and the~~
4 ~~counties of Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson,~~
5 ~~Larimer, Pueblo, and Weld, and in each county that has at least five~~
6 ~~hundred residents who are state employees, IN ORDER TO ENHANCE THE~~
7 ~~DIRECTOR'S ABILITY TO NEGOTIATE BETTER PREMIUM RATES FOR STATE~~
8 ~~EMPLOYEES WHILE PROVIDING MEDICAL BENEFITS TO STATE EMPLOYEES,~~
9 the director shall ~~approve~~ DETERMINE THE NUMBER AND TYPES OF
10 MEDICAL BENEFIT PLANS TO BE OFFERED for selection by state employees.
11 ~~who reside in such county:~~

12 (a) ~~At least one indemnity-type medical benefit plan, which~~
13 ~~indemnity-type plan may be a component of a multiple option plan,~~
14 ~~offered by a carrier or carriers determined to be qualified by the director,~~
15 ~~and~~

16 (b) ~~Two health maintenance organization plans in addition to any~~
17 ~~offered plan, which plans may be a component of a multiple option plan,~~
18 ~~offered by carriers determined to be qualified by the director. The~~
19 ~~provisions of this paragraph (b) shall not apply if the director determines~~
20 ~~that there is no qualified carrier within an individual county.~~

21 (2) ~~For each county not specifically enumerated in subsection (1)~~
22 ~~of this section, if a health maintenance organization is one of the options~~
23 ~~offered under a multiple option health plan, and such plan does not~~
24 ~~provide health maintenance organization service to any such county, but~~
25 ~~one or more qualified health maintenance organizations provide service~~
26 ~~in any such county, the director shall make every effort to offer health~~
27 ~~maintenance organization services in any such county.~~

1 (3) ~~Except as provided in subsection (1) of this section,~~ Nothing
2 in this section shall be construed to limit in any way the ability of the
3 director to approve for selection by state employees in any county any
4 medical benefit plans.

5 **SECTION 3. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.