

Second Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 08-1075.01 Christy Chase

SENATE BILL 08-217

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SENATE SPONSORSHIP

Hagedorn, and Johnson

HOUSE SPONSORSHIP

McGihon and Massey, and Roberts

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Senate Committees

Health and Human Services

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE FRAMEWORK FOR DEVELOPING THE CENTENNIAL  
102 CARE CHOICES PROGRAM TO REFORM THE HEALTH CARE  
103 SYSTEM IN COLORADO.

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Bill Summary

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

Authorizes the creation of the centennial care choices program (program) to reduce the state's uninsured population and improve access to affordable health care, after the following occurs:

! By January 2, 2009, the state department of health care policy and financing (state department), in coordination with the division of insurance (division) in the department

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.*

of regulatory agencies and a panel of expert advisors (panel), issues a request for proposals to health insurance companies for the development of value benefit plans (VBPs);

- ! Proposals for VBPs are submitted to the state department by August 1, 2009;
- ! The state department, division, and panel evaluate the proposals and make recommendations to the governor regarding the proposals and any necessary legislation;
- ! The governor submits recommendations for legislation to the general assembly by the 3rd legislative day of the 2010 regular legislative session or notifies the executive committee of the general assembly and the health and human services committees of both houses of the general assembly that no valid proposals were submitted; and
- ! If the governor recommends legislation and the general assembly chooses to pursue such legislation, allows the legislation to be introduced during the 2010 regular legislative session to create the program and implement the governor's recommendations.

Establishes some parameters for the VBPs and the program, including:

- ! A premium subsidy program for low-income individuals;
- ! A mandate that individuals obtain health insurance and a mechanism to enforce the mandate through the state tax code;
- ! The encouragement of evidence-based medicine through creation of a patient safety council to improve patient care and minimize medical care mistakes;
- ! A process to certify VBPs and a mechanism for pairing subsidy-eligible individuals with appropriate VBPs;
- ! Creation of a consumer advisory council for the program; and
- ! Dedication of a revenue source, if necessary, and a ballot question to seek voter approval for the revenue source, if necessary.

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

2           **SECTION 1.** Part 1 of article 1 of title 25.5, Colorado Revised  
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
4 read:

1           **25.5-1-125. Centennial care choices - value benefit plans -**  
2           **request for proposals - report to general assembly - definitions -**  
3           **legislative declaration - repeal.** (1) THE GENERAL ASSEMBLY HEREBY

4 FINDS, DETERMINES, AND DECLARES THAT:

5           (a) THE BLUE RIBBON COMMISSION FOR HEALTH CARE REFORM,  
6 ESTABLISHED PURSUANT TO SECTION 10-16-131, C.R.S., SUBMITTED ITS  
7 RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN JANUARY 2008,  
8 REGARDING COMPREHENSIVE PROPOSALS TO REFORM HEALTH CARE IN  
9 COLORADO, INCLUDING METHODS TO REDUCE OR ELIMINATE COLORADO'S  
10 UNINSURED POPULATION;

11           (b) THE GENERAL ASSEMBLY RECOGNIZES THAT WHILE  
12 COMPREHENSIVE HEALTH CARE REFORM IS A LAUDABLE GOAL, THIS STATE  
13 LACKS THE FINANCIAL RESOURCES TO FULLY SOLVE ALL THE PROBLEMS  
14 FACING THIS STATE'S HEALTH CARE SYSTEM;

15           (c) WHILE UNABLE TO FULLY ADDRESS COMPREHENSIVE HEALTH  
16 CARE REFORM AT THIS TIME, IT IS IMPORTANT TO START THE PROCESS NOW  
17 AND LAY THE GROUNDWORK FOR ESTABLISHING A SECURE, STABLE  
18 PROGRAM THAT REDUCES COLORADO'S UNINSURED POPULATION,  
19 PROVIDES ASSISTANCE TO THIS STATE'S LOW-INCOME INDIVIDUALS AND  
20 EMPLOYEES IN OBTAINING HEALTH CARE COVERAGE, ENCOURAGES  
21 EMPLOYERS TO CONTINUE OFFERING HEALTH CARE COVERAGE TO THEIR  
22 EMPLOYEES, AND IS SUSTAINABLE INTO THE FUTURE, EVEN DURING AN  
23 ECONOMIC DOWNTURN;

24           (d) IT IS ALSO CRITICAL THAT THIS STATE TAKE ADVANTAGE OF  
25 ANY FLEXIBILITY PROVIDED BY THE FEDERAL GOVERNMENT TO MAXIMIZE  
26 THIS STATE'S MEDICAL ASSISTANCE PROGRAMS SO AS TO PROVIDE  
27 SERVICES AND ACCESS TO HEALTH CARE TO THIS STATE'S NEEDY

1 POPULATION; AND

2 (e) COLORADO CANNOT WAIT TO ADDRESS THE CURRENT  
3 PROBLEMS RELATED TO THE DELIVERY OF AFFORDABLE HEALTH CARE TO  
4 RESIDENTS OF THIS STATE, AND IT IS THEREFORE CRITICAL TO START THE  
5 PROCESS TOWARD DEVELOPING A BALANCED PARTNERSHIP BETWEEN  
6 PRIVATE AND PUBLIC SECTORS IN COLORADO TO BEGIN TO PROVIDE  
7 AFFORDABLE HEALTH INSURANCE TO THOSE WHO ARE UNINSURED.

8 (2) (a) (I) THE STATE DEPARTMENT, IN COORDINATION WITH THE  
9 DIVISION OF INSURANCE AND A PANEL OF EXPERT ADVISORS APPOINTED BY  
10 THE GOVERNOR, WHICH SHALL INCLUDE PERSONS WITH EXPERTISE IN  
11 ACTUARIAL SCIENCES AND PERSONS ENGAGED IN THE CREATION,  
12 IMPLEMENTATION, AND MANAGEMENT OF HEALTH BENEFIT PLANS, SHALL  
13 PREPARE A REQUEST FOR PROPOSALS TO BE ISSUED TO HEALTH INSURANCE  
14 COMPANIES. THE REQUEST FOR PROPOSALS SHALL REQUEST INTERESTED  
15 HEALTH INSURANCE COMPANIES TO DESIGN VALUE BENEFIT PLANS,  
16 REFERRED TO IN THIS SECTION AS VBPs, THAT APPROXIMATE EIGHTY  
17 PERCENT OF THE ACTUARIAL VALUE OF A PREFERRED PROVIDER  
18 ORGANIZATION PLAN OFFERED TO EMPLOYEES OF THE STATE OF  
19 COLORADO AT THE TIME THE REQUEST FOR PROPOSALS IS ISSUED, AS  
20 SPECIFIED IN THE REQUEST FOR PROPOSALS. THE REQUEST FOR PROPOSALS  
21 SHALL NOT SPECIFY BENEFITS OR OTHER DETAILS TO BE INCLUDED IN THE  
22 PROPOSED VBP.

23 (II) A HEALTH INSURANCE COMPANY THAT SUBMITS A PROPOSAL  
24 IN RESPONSE TO THE REQUEST FOR PROPOSALS SHALL NOT BE OBLIGATED  
25 TO OFFER A VBP IF, AFTER SUBMISSION OF ITS PROPOSAL, THE GENERAL  
26 ASSEMBLY, BY BILL, MODIFIES THE DESIGN OF THE VBP.

27 (III) PROPOSALS SUBMITTED BY HEALTH INSURANCE COMPANIES

1 SHALL BUILD ON AND NOT INTERFERE WITH THE EXISTING SMALL GROUP  
2 MARKET, SHALL NOT ENCOURAGE BUSINESSES CURRENTLY OFFERING  
3 HEALTH CARE COVERAGE TO THEIR EMPLOYEES TO DISCONTINUE SUCH  
4 COVERAGE, AND SHALL PROMOTE ADMINISTRATIVE EFFICIENCIES.

5 (b) A VBP DEVELOPED IN RESPONSE TO THE REQUEST FOR  
6 PROPOSALS SHALL, AT A MINIMUM:

7 (I) INCLUDE BENEFITS FOR PARTICIPATION IN WELLNESS  
8 PROGRAMS, INCENTIVES FOR PLAN PARTICIPANTS TO ENGAGE IN  
9 HEALTHIER BEHAVIOR, AND THE APPROPRIATE USE OF PRIMARY CARE  
10 WHEN AVAILABLE;

11 (II) ENCOURAGE THE USE OF HEALTH INFORMATION TECHNOLOGY  
12 AND TELEMEDICINE, INCLUDING, WITHOUT LIMITATION, HEALTH  
13 INFORMATION EXCHANGE, ELECTRONIC HEALTH RECORDS, AND  
14 ELECTRONIC PRESCRIPTIONS;

15 (III) ENCOURAGE THE USE OF A PAY-FOR-PERFORMANCE SYSTEM  
16 FOR REIMBURSING HEALTH CARE PROVIDERS, WHERE APPROPRIATE;

17 (IV) PROVIDE CONSUMERS WITH EDUCATIONAL MATERIALS  
18 REGARDING HOW TO ACCESS INTERNET-BASED HEALTH CARE TOOLS;

19 (V) SPECIFY A NETWORK OF PROVIDERS AVAILABLE UNDER THE  
20 VBP;

21 (VI) USE REGIONAL NETWORKS OF HOSPITALS, PHYSICIANS, AND  
22 OTHER HEALTH CARE PROFESSIONALS, WHERE AVAILABLE, AND  
23 ENCOURAGE INNOVATIVE OR COLLABORATIVE EFFORTS WITHIN  
24 COMMUNITIES FOR THE PROVISION OF HEALTH CARE SERVICES, INCLUDING  
25 PARTNERING WITH COMMUNITY HEALTH CENTERS AND OTHER SAFETY NET  
26 PROVIDERS;

27 (VII) INCLUDE OPTIONAL COVERAGE CHOICES FOR CONSUMERS TO

1 ADD TO THEIR VBPs;

2 (VIII) LIMIT THE DEMOGRAPHIC CHARACTERISTICS USED BY  
3 HEALTH INSURANCE COMPANIES IN DETERMINING PREMIUM RATES TO THE  
4 AGE OF THE INDIVIDUALS TO BE COVERED UNDER THE VBP AND THE  
5 GEOGRAPHIC LOCATION OF THE POLICYHOLDER;

6 (IX) SPECIFY PREMIUM LEVELS FOR EACH VBP BY AGE GROUP,  
7 REGION BY REGION;

8 (X) BE OFFERED AND ISSUED TO ANY COLORADO RESIDENT WHO  
9 AGREES TO MAKE THE PREMIUM PAYMENTS REQUIRED FOR THAT PERSON;

10 (XI) ALLOW FOR THE PAYMENT OF ALL OR A PORTION OF THE  
11 COVERED PERSON'S PREMIUM FROM A STATE-PAID PREMIUM SUBSIDY, IF  
12 MADE AVAILABLE BY THIS STATE FOR LOW-INCOME INDIVIDUALS AND  
13 FAMILIES; AND

14 (XII) ASSUME THAT ALL COLORADO RESIDENTS WOULD BE  
15 REQUIRED TO PURCHASE HEALTH INSURANCE.

16 (3) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE  
17 STATE DEPARTMENT, IN COORDINATION WITH THE DIVISION AND THE  
18 PANEL, SHALL ACQUIRE RELEVANT ACTUARIAL PROJECTIONS, RESEARCH  
19 POTENTIAL COST SAVINGS, AND DEVELOP THE REQUEST FOR PROPOSALS,  
20 WHICH SHALL BE ISSUED BY JANUARY 2, 2009. THE REQUEST FOR  
21 PROPOSALS SHALL SPECIFY A DEADLINE OF AUGUST 1, 2009, BY WHICH  
22 PROPOSALS SHALL BE SUBMITTED TO THE STATE DEPARTMENT.

23 (b) AFTER RECEIPT OF THE PROPOSALS, THE STATE DEPARTMENT,  
24 IN COORDINATION WITH THE DIVISION AND THE PANEL, SHALL EVALUATE  
25 THE PROPOSALS AND MAKE RECOMMENDATIONS TO THE GOVERNOR  
26 REGARDING THE PROPOSALS AND ANY LEGISLATION THAT MAY BE NEEDED  
27 DURING THE 2010 LEGISLATIVE SESSION TO IMPLEMENT ONE OR MORE

1 PROPOSALS.

2 (c) (I) THE GOVERNOR SHALL SUBMIT RECOMMENDATIONS FOR  
3 LEGISLATION TO THE GENERAL ASSEMBLY BY THE THIRD LEGISLATIVE DAY  
4 OF THE 2010 REGULAR LEGISLATIVE SESSION FOR ITS CONSIDERATION.

5 (II) IF THE GOVERNOR DETERMINES THAT NONE OF THE PROPOSALS  
6 SUBMITTED BY HEALTH INSURANCE COMPANIES MEETS THE CRITERIA  
7 ESTABLISHED IN THIS SECTION OR THAT THE PROPOSALS ARE OTHERWISE  
8 INADEQUATE TO ADDRESS THE HEALTH CARE COVERAGE NEEDS OF THE  
9 STATE, THE GOVERNOR MAY REJECT THE PROPOSALS AND SHALL INFORM  
10 THE EXECUTIVE COMMITTEE OF THE GENERAL ASSEMBLY AND THE HEALTH  
11 AND HUMAN SERVICES COMMITTEES OF THE SENATE AND HOUSE OF  
12 REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, IN WRITING, THAT  
13 THE PROPOSALS HAVE BEEN REJECTED AND THE REASONS FOR THE  
14 REJECTIONS.

15 (d) IF THE GOVERNOR RECOMMENDS LEGISLATION AND THE  
16 GENERAL ASSEMBLY CHOOSES TO PURSUE LEGISLATION TO IMPLEMENT  
17 THE GOVERNOR'S RECOMMENDATIONS, SUCH LEGISLATION MAY BE  
18 INTRODUCED FOR CONSIDERATION BY THE GENERAL ASSEMBLY DURING  
19 THE 2010 REGULAR LEGISLATIVE SESSION. THE LEGISLATION SHALL  
20 CREATE THE CENTENNIAL CARE CHOICES PROGRAM AND SHALL INCLUDE  
21 AT LEAST THE FOLLOWING, IF CONSISTENT WITH THE GOVERNOR'S  
22 RECOMMENDATIONS:

23 (I) A REQUIREMENT THAT ALL COLORADANS OBTAIN HEALTH  
24 INSURANCE INDIVIDUALLY OR THROUGH THEIR EMPLOYER, EITHER  
25 THROUGH A STATE-SANCTIONED VBP OR ANY OTHER HEALTH INSURANCE  
26 PRODUCT AVAILABLE IN THE PRIVATE MARKET;

27 (II) A MECHANISM TO ENFORCE THE REQUIREMENT THAT ALL

1 COLORADO RESIDENTS OBTAIN HEALTH INSURANCE THROUGH THE STATE  
2 TAX LAWS;

3 (III) STANDARDS THAT VBPs MUST SATISFY IN ORDER TO BE  
4 CERTIFIED BY THE STATE DEPARTMENT AND THE DIVISION AND  
5 AUTHORIZED TO BE OFFERED TO COLORADO RESIDENTS;

6 (IV) A SLIDING SCALE PREMIUM SUBSIDY PROGRAM TO ASSIST  
7 LOW-INCOME INDIVIDUALS AND FAMILIES IN PAYING THE PREMIUM COSTS  
8 FOR HEALTH INSURANCE;

9 (V) THE ENCOURAGEMENT OF EVIDENCE-BASED MEDICINE  
10 THROUGH CREATION OF A PATIENT SAFETY COUNCIL TO EVALUATE  
11 PATIENT CARE WITH THE GOALS OF IMPROVING QUALITY OF CARE AND  
12 MINIMIZING MEDICAL CARE MISTAKES;

13 (VI) AUTHORITY FOR THE STATE DEPARTMENT AND THE DIVISION  
14 TO ESTABLISH HEALTH MARTS THROUGH WHICH AN INDIVIDUAL ELIGIBLE  
15 FOR THE STATE SUBSIDY WOULD BE PAIRED WITH A VBP THAT BEST MEETS  
16 HIS OR HER NEEDS;

17 (VII) CREATION OF A CONSUMER ADVISORY COUNCIL FOR THE  
18 CENTENNIAL CARE CHOICES PROGRAM; AND

19 (VIII) CREATION OF A DEDICATED SOURCE OF REVENUE, IF  
20 NECESSARY, TO FUND THE PREMIUM SUBSIDY PROGRAM OR OTHER NEW  
21 STATE COSTS AND A BALLOT QUESTION TO SEEK VOTER APPROVAL AT THE  
22 GENERAL ELECTION IN 2010 FOR THE REVENUE SOURCE IF IT CONSTITUTES  
23 A NEW OR INCREASED TAX OR TAX RATE.

24 (4) AS USED IN THIS SECTION:

25 (a) "DIVISION OF INSURANCE" OR "DIVISION" MEANS THE DIVISION  
26 OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES.

27 (b) "HEALTH INSURANCE COMPANY" MEANS A PRIVATE ENTITY

1 ENGAGED IN THE BUSINESS OF MAKING CONTRACTS OF HEALTH  
2 INSURANCE.

3 (c) "PANEL" MEANS THE PANEL OF EXPERT ADVISORS APPOINTED  
4 BY THE GOVERNOR PURSUANT TO SUBSECTION (2) OF THIS SECTION.

5 (d) "VALUE BENEFIT PLAN" OR "VBP" MEANS A POLICY,  
6 CONTRACT, CERTIFICATE, OR AGREEMENT TO PROVIDE, DELIVER, ARRANGE  
7 FOR, PAY FOR, OR REIMBURSE THE COSTS OF HEALTH CARE SERVICES THAT  
8 IS DEVELOPED IN RESPONSE TO THE REQUEST FOR PROPOSALS ISSUED  
9 PURSUANT TO THIS SECTION.

10 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2011.

11 **SECTION 2. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.