

**Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 08-1075.01 Christy Chase

SENATE BILL 08-217

SENATE SPONSORSHIP

Hagedorn, and Johnson

HOUSE SPONSORSHIP

McGihon and Massey, and Roberts

Senate Committees

Health and Human Services
Appropriations

House Committees

Health and Human Services
Appropriations

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, AND MAKING AN APPROPRIATION**
104 **THEREFOR.**

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

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.

HOUSE
Am ended 2nd Reading
May 1, 2008

SENATE
3rd Reading Unamended
April 22, 2008

SENATE
Am ended 2nd Reading
April 21, 2008

policy and financing (state department), in coordination with the division of insurance (division) in the department 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.

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**

1 read:

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

5 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

6 (a) THE BLUE RIBBON COMMISSION FOR HEALTH CARE REFORM,
7 ESTABLISHED PURSUANT TO SECTION 10-16-131, C.R.S., AS IT EXISTED
8 PRIOR TO JULY 1, 2008, SUBMITTED ITS RECOMMENDATIONS TO THE
9 GENERAL ASSEMBLY IN JANUARY 2008, REGARDING COMPREHENSIVE
10 PROPOSALS TO REFORM HEALTH CARE IN COLORADO, INCLUDING METHODS
11 TO REDUCE OR ELIMINATE COLORADO'S UNINSURED POPULATION;

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

16 _____
17 (c) IT IS ALSO CRITICAL THAT THE STATE MAXIMIZE FEDERAL
18 FUNDS FOR MEDICAL ASSISTANCE PROGRAMS SO AS TO PROVIDE SERVICES
19 AND ACCESS TO HEALTH CARE TO THE STATE'S NEEDY POPULATION;

20 (d) COLORADO CANNOT WAIT TO ADDRESS THE CURRENT
21 PROBLEMS RELATED TO THE DELIVERY OF AFFORDABLE HEALTH CARE TO
22 RESIDENTS OF THE STATE, AND IT IS THEREFORE CRITICAL TO START THE
23 PROCESS TOWARD DEVELOPING A BALANCED PARTNERSHIP BETWEEN
24 PRIVATE AND PUBLIC SECTORS IN COLORADO TO BEGIN TO PROVIDE
25 AFFORDABLE HEALTH INSURANCE TO THOSE WHO ARE UNINSURED;

26 (e) TO THAT END, THIS SECTION CREATES THE OPPORTUNITY FOR
27 HEALTH INSURANCE CARRIERS TO DEVELOP AND OFFER TO INDIVIDUALS

1 THROUGHOUT THE STATE AN AFFORDABLE, BASELINE HEALTH INSURANCE
2 PRODUCT, REPRESENTING THE MINIMUM BENEFITS PACKAGE FOR THE
3 STATE'S INDIVIDUAL MARKET, THAT IS NOT CURRENTLY AVAILABLE IN THE
4 INDIVIDUAL MARKET, TO PROVIDE ACCESS TO HEALTH CARE COVERAGE
5 FOR THE STATE'S UNINSURED POPULATION;

6 (f) IN ADDITION, THE STATE DEPARTMENT, IN COORDINATION WITH
7 THE DIVISION OF INSURANCE AND THE PANEL OF EXPERT ADVISORS
8 APPOINTED BY THE GOVERNOR PURSUANT TO THIS SECTION, IS URGED TO
9 CONDUCT THE REQUEST FOR INFORMATION PROCESS EXPEDITIOUSLY AND
10 TO SUBMIT ITS REPORTS TO THE LEGISLATIVE COMMITTEES EARLIER THAN
11 THE DATES SPECIFIED IN THIS SECTION, BUT IN NO CASE LATER THAN THOSE
12 DATES, SO AS TO AFFORD THE GENERAL ASSEMBLY SUFFICIENT TIME TO
13 CONSIDER THE REPORTS AND TAKE ANY LEGISLATIVE ACTION THE
14 GENERAL ASSEMBLY MAY DEEM APPROPRIATE DURING THE 2009
15 LEGISLATIVE SESSION; AND

16 (g) THE APPROPRIATION AND EXPENDITURE OF STATE GENERAL
17 FUND MONEYS TO IMPLEMENT THIS SECTION SHALL NOT EXCEED ONE
18 HUNDRED TWENTY-EIGHT THOUSAND SEVEN HUNDRED DOLLARS, AND IF
19 THE STATE COSTS TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION
20 EXCEED SUCH AMOUNT, THE STATE DEPARTMENT SHALL SOLICIT GIFTS,
21 GRANTS, AND DONATIONS TO COVER ANY STATE COSTS THAT EXCEED SUCH
22 APPROPRIATED AMOUNT.

23 (2) (a) (I) THE STATE DEPARTMENT, IN COORDINATION WITH THE
24 DIVISION OF INSURANCE AND A PANEL OF EXPERT ADVISORS APPOINTED BY
25 THE GOVERNOR BY JULY 1, 2008, WHICH SHALL INCLUDE PERSONS WITH
26 EXPERTISE IN ACTUARIAL SCIENCES, PERSONS WITH EXPERTISE IN
27 DESIGNING HEALTH BENEFIT PLANS, PERSONS EXPERIENCED IN THE

1 IMPLEMENTATION AND MANAGEMENT OF HEALTH BENEFIT PLANS, PERSONS
2 WITH EXPERTISE IN DISABILITY ISSUES, PERSONS WITH EXPERTISE
3 REGARDING LONG TERM CARE, CONSUMERS, AND PERSONS REPRESENTING
4 HEALTH CARE PROVIDERS, SHALL PREPARE A REQUEST FOR INFORMATION
5 TO BE ISSUED TO HEALTH INSURANCE CARRIERS AND OTHER INTERESTED
6 PARTIES, INCLUDING THE STATE OF COLORADO, REGARDING THE
7 DEVELOPMENT OF THE CENTENNIAL CARE CHOICES PROGRAM, AS
8 DESCRIBED IN THIS SECTION. THE STATE DEPARTMENT AND DIVISION
9 SHALL BEGIN PREPARING THE REQUEST FOR INFORMATION BY JULY 1,
10 REGARDLESS OF WHETHER THE PANEL HAS BEEN APPOINTED BY THAT
11 DATE. IF THE GOVERNOR FAILS TO APPOINT THE PANEL OF EXPERT
12 ADVISORS BY JULY 1, 2008, THEN THE PRESIDENT OF THE SENATE AND THE
13 SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL BE RESPONSIBLE FOR
14 APPOINTING THE PANEL OF EXPERT ADVISORS AND SHALL EACH APPOINT
15 AT LEAST FIVE EXPERT ADVISORS MEETING THE CRITERIA SPECIFIED IN THIS
16 SUBPARAGRAPH (I) BY JULY 15, 2008. THE REQUEST FOR INFORMATION
17 SHALL REQUEST INTERESTED HEALTH INSURANCE CARRIERS AND OTHER
18 INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO, TO PROVIDE
19 INFORMATION REGARDING:

20 (A) THE DESIGN OF AND BENEFITS INCLUDED IN VALUE BENEFIT
21 PLANS, REFERRED TO IN THIS SECTION AS VBPs, TO BE OFFERED IN THE
22 INDIVIDUAL MARKET WITH A BENCHMARK STANDARD OF APPROXIMATELY
23 EIGHTY PERCENT OF THE ACTUARIAL VALUE OF A PREFERRED PROVIDER
24 ORGANIZATION PLAN OFFERED TO EMPLOYEES OF THE STATE OF
25 COLORADO AT THE TIME THE REQUEST FOR INFORMATION IS ISSUED, AS
26 SPECIFIED IN THE REQUEST FOR INFORMATION. IN ADDITION, THE STATE
27 DEPARTMENT, WITH ASSISTANCE FROM THE DIVISION AND THE PANEL, MAY

1 DEVELOP AND INCLUDE A REQUEST FOR INFORMATION ABOUT ADDITIONAL
2 BENCHMARK STANDARDS IN THE REQUEST FOR INFORMATION PROCESS.

3 (B) THE PERCENTAGE DIFFERENTIAL IN RATES FOR VBPs IF ALL
4 COLORADO RESIDENTS ARE REQUIRED TO OBTAIN CREDITABLE COVERAGE
5 AND IF NO SUCH INDIVIDUAL MANDATE IS IMPOSED.


6 (II) EXCEPT AS AUTHORIZED IN THIS SECTION, THE REQUEST FOR
7 INFORMATION SHALL NOT SPECIFY BENEFITS OR OTHER DETAILS TO BE
8 INCLUDED IN THE PROPOSED VBP. IN DEVELOPING THE REQUEST FOR
9 INFORMATION, THE STATE DEPARTMENT, IN COORDINATION WITH THE
10 DIVISION AND THE PANEL, SHALL CONSIDER THE POTENTIAL RISKS OF
11 ADVERSE SELECTION, CROWD OUT, AND OTHER FACTORS THAT MAY
12 DESTABILIZE THE SMALL GROUP AND INDIVIDUAL MARKETS AS A RESULT
13 OF OFFERING VBPs IN THE INDIVIDUAL MARKET.

14 (b) IN RESPONDING TO THE REQUEST FOR INFORMATION, A HEALTH
15 INSURANCE CARRIER OR OTHER INTERESTED PARTIES SHALL ASSUME THE
16 FOLLOWING:

17 (I) THAT A VBP WILL, AT A MINIMUM:

18 (A) INCLUDE BENEFITS FOR PRIMARY AND PREVENTIVE CARE AND
19 PARTICIPATION IN WELLNESS PROGRAMS AND INCENTIVES FOR PLAN
20 PARTICIPANTS TO ENGAGE IN HEALTHY BEHAVIOR;

21 (B) PROVIDE THE LOWEST LEVEL OF BENEFITS THAT MAY BE
22 OFFERED IN THE STATE'S INDIVIDUAL MARKET;

23 

24 (C) ENCOURAGE THE USE OF HEALTH INFORMATION TECHNOLOGY
25 AND TELEMEDICINE, INCLUDING, WITHOUT LIMITATION, HEALTH
26 INFORMATION EXCHANGE, ELECTRONIC HEALTH RECORDS, AND
27 ELECTRONIC PRESCRIPTIONS;

1 (D) ENCOURAGE THE USE OF A PAY-FOR-PERFORMANCE SYSTEM
2 FOR REIMBURSING HEALTH CARE PROVIDERS, WHERE APPROPRIATE;

3 (E) PROVIDE CONSUMERS WITH EDUCATIONAL MATERIALS
4 REGARDING HOW TO ACCESS INTERNET-BASED HEALTH CARE TOOLS;

5 (F) SPECIFY AN ADEQUATE NETWORK OF PROVIDERS AVAILABLE
6 UNDER THE VBP;

7 (G) ENCOURAGE THE USE OF REGIONAL NETWORKS OF HOSPITALS,
8 PHYSICIANS, COMMUNITY HEALTH CENTERS AND OTHER SAFETY NET
9 PROVIDERS, AND OTHER HEALTH CARE PROFESSIONALS, INCLUDING, BUT
10 NOT LIMITED TO, HOSPICE AND PALLIATIVE CARE PROVIDERS, WHERE
11 AVAILABLE, AND INNOVATIVE OR COLLABORATIVE EFFORTS WITHIN
12 COMMUNITIES FOR THE PROVISION OF HEALTH CARE SERVICES;

13 (H) INCLUDE OPTIONAL COVERAGE CHOICES FOR PURCHASE BY
14 CONSUMERS TO ADD TO THEIR VBPs AND THE ESTIMATED CONSUMER
15 COST FOR EACH PARTICULAR COVERAGE OPTION;

16 (I) LIMIT THE DEMOGRAPHIC CHARACTERISTICS USED BY HEALTH
17 INSURANCE CARRIERS IN DETERMINING PREMIUM RATES TO THE AGE OF
18 THE INDIVIDUALS TO BE COVERED UNDER THE VBP AND THE GEOGRAPHIC
19 LOCATION OF THE POLICYHOLDER;

20 (J) SPECIFY PREMIUM LEVELS FOR EACH VBP BY AGE GROUP,
21 REGION BY REGION;

22 (K) BE OFFERED STATEWIDE AND ISSUED TO ANY COLORADO
23 RESIDENT ELIGIBLE PURSUANT TO THE TERMS OF THE APPROVED VBP WHO
24 AGREES TO MAKE THE PREMIUM PAYMENTS REQUIRED FOR THAT PERSON;

25 (L) ALLOW FOR THE PAYMENT OF ALL OR A PORTION OF THE
26 COVERED PERSON'S PREMIUM FROM A STATE-PAID PREMIUM SUBSIDY, IF
27 MADE AVAILABLE BY THE STATE FOR LOW-INCOME INDIVIDUALS AND

1 FAMILIES; AND

2 (M) NOT DESTABILIZE THE EXISTING SMALL GROUP AND
3 INDIVIDUAL MARKETS OR THE COVERCOLORADO PROGRAM.

4

5 (II) THAT THE STATE MAY IMPOSE A REQUIREMENT THAT ALL
6 COLORADANS OBTAIN CREDITABLE COVERAGE, EITHER THROUGH A
7 STATE-SANCTIONED VBP, ANOTHER HEALTH INSURANCE PRODUCT
8 AVAILABLE IN THE PRIVATE MARKET FOR INDIVIDUALS OR GROUPS,
9 PARTICIPATION IN A STATE OR FEDERAL PROGRAM PROVIDING BENEFITS OR
10 COVERAGE FOR HEALTH CARE, OR ANY OTHER CREDITABLE COVERAGE;

11 (III) THAT THE STATE WILL ESTABLISH A MECHANISM TO ENFORCE
12 THE REQUIREMENT THAT ALL COLORADO RESIDENTS OBTAIN CREDITABLE
13 COVERAGE THROUGH THE STATE TAX LAWS, IF SUCH REQUIREMENT IS
14 IMPOSED;

15 (IV) THAT A VBP WILL BE THE MINIMUM BENEFITS PACKAGE
16 AVAILABLE IN THE STATE'S INDIVIDUAL MARKET;

17 (V) THAT THE STATE WILL CREATE A SLIDING SCALE PREMIUM
18 SUBSIDY PROGRAM TO ASSIST LOW-INCOME INDIVIDUALS AND FAMILIES IN
19 PAYING THE PREMIUM COSTS FOR HEALTH INSURANCE;

20 (VI) THAT THE STATE WILL AMEND THE STATE PLAN TO EXPAND
21 ELIGIBILITY FOR THE COLORADO MEDICAL ASSISTANCE PROGRAM TO
22 ADULTS WHOSE FAMILY INCOME DOES NOT EXCEED ONE HUNDRED
23 PERCENT OF THE FEDERAL POVERTY LEVEL, ADJUSTED FOR FAMILY SIZE;

24 AND

25

26 (VII) THAT THE STATE WILL CREATE A DEDICATED SOURCE OF
27 REVENUE, IF NECESSARY, TO FUND THE PREMIUM SUBSIDY PROGRAM OR

1 OTHER NEW STATE COSTS.

2

3

4 (3) (a) BY DECEMBER 15, 2008, THE STATE DEPARTMENT, IN
5 COORDINATION WITH THE DIVISION AND THE PANEL, SHALL SUBMIT A
6 PROGRESS REPORT TO THE LEGISLATIVE COMMITTEES. THE PROGRESS
7 REPORT SHALL PROVIDE AN UPDATE ON THE STATUS OF THE REQUEST FOR
8 INFORMATION PROCESS.

9 (b) ON OR BEFORE MARCH 1, 2009, THE STATE DEPARTMENT, IN
10 COORDINATION WITH THE DIVISION AND THE PANEL, SHALL SUBMIT A
11 FINAL REPORT TO THE LEGISLATIVE COMMITTEES. PRIOR TO SUBMITTING
12 THE FINAL REPORT, THE STATE DEPARTMENT, IN COORDINATION WITH THE
13 DIVISION AND THE PANEL, SHALL ACQUIRE RELEVANT ACTUARIAL
14 PROJECTIONS AND RESEARCH POTENTIAL COST SAVINGS. THE FINAL
15 REPORT SHALL DETAIL THE RESULTS OF THE REQUEST FOR INFORMATION
16 PROCESS AND THE ACTUARIAL AND COST SAVINGS RESEARCH, INCLUDING
17 A DETAILED SUMMARY OF THE INFORMATION SUBMITTED BY HEALTH
18 INSURANCE CARRIERS AND OTHER INTERESTED PARTIES AND AN
19 EVALUATION AND ANALYSIS OF THE RESULTS OF THE REQUEST FOR
20 INFORMATION PROCESS. IN ADDITION, THE FINAL REPORT SHALL INCLUDE
21 INFORMATION REGARDING ANY LEGISLATION THAT WOULD BE REQUIRED
22 SHOULD THE GENERAL ASSEMBLY PROCEED TO IMPLEMENT THE
23 CENTENNIAL CARE CHOICES PROGRAM, VBPs, AND A PREMIUM SUBSIDY
24 PROGRAM, IF APPLICABLE, AND COST PROJECTIONS REGARDING THE
25 FUNDING NEEDED TO IMPLEMENT THE PROGRAM.

26 (c) AFTER RECEIPT OF THE FINAL REPORT, THE LEGISLATIVE
27 COMMITTEES, MEETING JOINTLY, SHALL CONSIDER THE INFORMATION

1 INCLUDED IN THE FINAL REPORT AND DETERMINE WHETHER TO PROCEED
2 WITH THE CENTENNIAL CARE CHOICES PROGRAM AND WHETHER TO
3 RECOMMEND LEGISLATION TO THE GENERAL ASSEMBLY THAT IS
4 NECESSARY TO:

5 (I) IMPLEMENT THE CENTENNIAL CARE CHOICES PROGRAM, VBPs,
6 AND A PREMIUM SUBSIDY PROGRAM; AND

7 (II) CREATE A FUNDING SOURCE TO FUND A PREMIUM SUBSIDY
8 PROGRAM OR OTHER COSTS OF THE CENTENNIAL CARE CHOICES PROGRAM.

9 (d) IF THE LEGISLATIVE COMMITTEES RECOMMEND LEGISLATION
10 TO THE GENERAL ASSEMBLY TO IMPLEMENT THE CENTENNIAL CARE
11 CHOICES PROGRAM, INCLUDING THE AUTHORIZATION FOR THE
12 DEVELOPMENT OF VBPs, THE CREATION OF A PREMIUM SUBSIDY
13 PROGRAM, AND THE CREATION OF A FUNDING SOURCE, THE
14 RECOMMENDATION SHOULD SPECIFY INCLUSION OF THE FOLLOWING
15 ELEMENTS IN THE LEGISLATION:

16 (I) STANDARDS THAT VBPs MUST SATISFY IN ORDER TO BE
17 CERTIFIED BY THE STATE DEPARTMENT AND THE DIVISION AND
18 AUTHORIZED TO BE OFFERED TO COLORADO RESIDENTS BY ANY HEALTH
19 INSURANCE CARRIER, REGARDLESS OF WHETHER THE HEALTH INSURANCE
20 CARRIER DEVELOPED THE VBP IN RESPONSE TO THE REQUEST FOR
21 PROPOSALS, AS LONG AS THE HEALTH INSURANCE CARRIER OFFERS A VBP
22 THAT MEETS SUCH STANDARDS AND THE REQUIREMENTS OF THIS SECTION;

23 (II) CREATION OF A PROCESS FOR PERIODIC REVIEW OF VBPs;

24 (III) CREATION OF A CONSUMER ADVISORY COUNCIL FOR THE
25 CENTENNIAL CARE CHOICES PROGRAM;

26 (IV) A MECHANISM TO ENCOURAGE THE USE OF EVIDENCE-BASED
27 MEDICINE THROUGH CREATION OF A PATIENT SAFETY COUNCIL TO

1 EVALUATE PATIENT CARE WITH THE GOALS OF IMPROVING QUALITY OF
2 CARE AND MINIMIZING MEDICAL CARE MISTAKES;

3 (V) AUTHORIZATION FOR THE STATE DEPARTMENT AND THE
4 DIVISION TO ESTABLISH HEALTH MARTS THROUGH WHICH AN INDIVIDUAL
5 ELIGIBLE FOR A STATE SUBSIDY, IF CREATED, MAY SELECT A VBP THAT
6 BEST MEETS HIS OR HER NEEDS; AND

7 (VI) IF THE FUNDING SOURCE WOULD BE CREATED THROUGH A
8 NEW OR INCREASED TAX OR TAX RATE, A BALLOT QUESTION TO SEEK
9 VOTER APPROVAL AT A FUTURE GENERAL ELECTION FOR THE REVENUE
10 SOURCE.

11 (4) (a) IF THE GENERAL ASSEMBLY ENACTS LEGISLATION TO
12 CREATE THE CENTENNIAL CARE CHOICES PROGRAM, INCLUDING
13 AUTHORIZATION FOR THE DEVELOPMENT OF VBPs, THE CREATION OF A
14 PREMIUM SUBSIDY PROGRAM, AND THE CREATION OF A FUNDING SOURCE,
15 THE STATE DEPARTMENT, IN COORDINATION WITH THE DIVISION AND THE
16 PANEL, SHALL DETERMINE WHETHER A FUNDING SOURCE HAS BEEN
17 IDENTIFIED TO FUND THE CENTENNIAL CARE CHOICES PROGRAM. IF A
18 FUNDING SOURCE HAS BEEN IDENTIFIED AND APPROVED BY THE VOTERS,
19 IF NECESSARY, THE STATE DEPARTMENT MAY DEVELOP A REQUEST FOR
20 PROPOSALS TO BE ISSUED TO INTERESTED HEALTH INSURANCE CARRIERS
21 AND OTHER INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO.
22 THE REQUEST FOR PROPOSALS SHALL REQUEST INTERESTED PARTIES TO
23 SUBMIT PROPOSALS FOR PLAN DESIGNS FOR VBPs TO BE OFFERED IN THE
24 INDIVIDUAL MARKET, WHICH SHALL BE BASED ON THE PARAMETERS
25 OUTLINED IN SUBSECTION (2) OF THIS SECTION IN THE REQUEST FOR
26 INFORMATION, AS MODIFIED BY ANY LEGISLATION ENACTED BY THE
27 GENERAL ASSEMBLY PURSUANT TO THIS SECTION.

1 (b) PRIOR TO ISSUING A REQUEST FOR PROPOSALS, THE STATE
2 DEPARTMENT, IN CONSULTATION WITH THE DIVISION AND THE PANEL, AND
3 BASED ON THE INFORMATION OBTAINED THROUGH THE REQUEST FOR
4 INFORMATION PROCESS AND ANY OTHER RELEVANT INFORMATION, SHALL
5 DEVELOP A BENCHMARK PRICE OR AFFORDABILITY STANDARD FOR VBPs
6 TO ENSURE THAT ELIGIBLE INDIVIDUALS CAN AFFORD TO PURCHASE VBPs
7 THAT ARE DEVELOPED BY INTERESTED PARTIES.

8 (c) THE STATE DEPARTMENT SHALL INCLUDE THE SAME
9 ASSUMPTIONS IN THE REQUEST FOR PROPOSALS THAT WERE INCLUDED IN
10 THE REQUEST FOR INFORMATION PURSUANT TO SUBSECTION (2) OF THIS
11 SECTION AND SHALL MODIFY THOSE ASSUMPTIONS TO THE EXTENT
12 NECESSARY TO CONFORM TO ANY LEGISLATION ENACTED BY THE GENERAL
13 ASSEMBLY PURSUANT TO THIS SECTION.

14 (5) THE STATE DEPARTMENT SHALL ENSURE THAT THE REQUEST
15 FOR INFORMATION AND REQUEST FOR PROPOSALS PROCESSES ENCOURAGE
16 COLLABORATION AND NEGOTIATION BETWEEN THE INTERESTED PARTIES
17 RESPONDING TO THE REQUESTS AND THE STATE DEPARTMENT, DIVISION,
18 AND PANEL REGARDING THE PRICE FOR AND BENEFITS INCLUDED IN VBPs.

19 (6) A HEALTH INSURANCE CARRIER OR OTHER INTERESTED PARTY
20 SHALL NOT BE REQUIRED TO HAVE A CERTIFICATE OF AUTHORITY ISSUED
21 BY THE COMMISSIONER OF INSURANCE PURSUANT TO SECTION 10-3-105,
22 C.R.S., IN ORDER TO RESPOND TO THE REQUEST FOR INFORMATION OR
23 REQUEST FOR PROPOSALS, BUT THE HEALTH INSURANCE CARRIER OR
24 OTHER INTERESTED PARTY SHALL BE ALLOWED TO OFFER AN APPROVED
25 VBP TO ELIGIBLE COLORADO RESIDENTS ONLY IF THE PARTY OBTAINS A
26 CERTIFICATE OF AUTHORITY TO TRANSACT THE BUSINESS OF INSURANCE
27 IN THIS STATE PRIOR TO OFFERING THE VBP.

1 (7) A HEALTH INSURANCE CARRIER OR OTHER INTERESTED PARTY
2 THAT SUBMITS INFORMATION OR A PROPOSAL IN RESPONSE TO THE
3 REQUEST FOR INFORMATION OR THE REQUEST FOR PROPOSALS,
4 RESPECTIVELY, SHALL NOT BE OBLIGATED TO OFFER A VBP IF, AFTER
5 SUBMISSION OF INFORMATION OR A PROPOSAL, THE GENERAL ASSEMBLY,
6 BY BILL, MODIFIES THE DESIGN OF THE VBP.

7 (8) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO ESTABLISH
8 A REQUIREMENT FOR INDIVIDUALS TO PURCHASE HEALTH INSURANCE OR
9 TO PRECLUDE OR LIMIT THE ABILITY OF THE GENERAL ASSEMBLY TO USE
10 INFORMATION OBTAINED THROUGH THE REQUEST FOR INFORMATION TO
11 ENACT REFORMS THAT DO NOT INCLUDE SUCH A REQUIREMENT.

12 (9) AS USED IN THIS SECTION:

13 (a) "COLORADO MEDICAL ASSISTANCE PROGRAM" MEANS THE
14 PROGRAM ESTABLISHED IN THE "COLORADO MEDICAL ASSISTANCE ACT",
15 ARTICLES 4, 5, AND 6 OF THIS TITLE.

16 (b) "COVER COLORADO PROGRAM" MEANS THE PROGRAM CREATED
17 IN PART 5 OF ARTICLE 8 OF TITLE 10, C.R.S.

18 (c) "CREDITABLE COVERAGE" SHALL HAVE THE SAME MEANING AS
19 SET FORTH IN SECTION 10-16-102, C.R.S.

20 (d) "DIVISION OF INSURANCE" OR "DIVISION" MEANS THE DIVISION
21 OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES.

22 (e) "HEALTH INSURANCE CARRIER" SHALL HAVE THE SAME
23 MEANING AS "CARRIER", AS DEFINED IN SECTION 10-16-102, AND SHALL
24 INCLUDE A CARRIER THAT IS NOT CURRENTLY PROVIDING HEALTH
25 COVERAGE IN THE STATE OR THAT DOES NOT, AT THE TIME THE REQUEST
26 FOR INFORMATION OR REQUEST FOR PROPOSALS IS ISSUED, HAVE A
27 CERTIFICATE OF AUTHORITY FROM THE COMMISSIONER OF INSURANCE

1 PURSUANT TO SECTION 10-3-105, C.R.S.

2 (f) "INTERESTED PARTY" MEANS A PERSON OR ENTITY THAT
3 POSSESSES APPLICABLE ACTUARIAL EXPERTISE AND HAS ADMINISTERED OR
4 HAS THE CAPACITY TO ADMINISTER A HEALTH INSURANCE PROGRAM.

5 (g) "LEGISLATIVE COMMITTEES" MEANS THE HEALTH AND HUMAN
6 SERVICES COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,
7 OR THEIR SUCCESSOR COMMITTEES.

8 (h) "PANEL" MEANS THE PANEL OF EXPERT ADVISORS APPOINTED
9 BY THE GOVERNOR PURSUANT TO SUBSECTION (2) OF THIS SECTION.

10 (i) "VALUE BENEFIT PLAN" OR "VBP" MEANS A POLICY, CONTRACT,
11 CERTIFICATE, OR AGREEMENT TO PROVIDE, DELIVER, ARRANGE FOR, PAY
12 FOR, OR REIMBURSE THE COSTS OF HEALTH CARE SERVICES THAT IS
13 DEVELOPED IN RESPONSE TO THE REQUEST FOR PROPOSALS ISSUED
14 PURSUANT TO THIS SECTION.

15 **SECTION 2. Appropriation -- adjustment to the 2008 long**

16 **bill.** (1) In addition to any other appropriation, there is hereby
17 appropriated, to the department of health care policy and financing, for
18 allocation to the executive director's office, general professional services
19 and special projects, for the fiscal year beginning July 1, 2008, the sum
20 of one hundred ninety-one thousand two hundred dollars (\$191,200), or
21 so much thereof as may be necessary, for the implementation of this act.
22 Of said sum, one hundred twenty-eight thousand seven hundred dollars
23 (\$128,700) shall be from the general fund and sixty-two thousand five
24 hundred dollars (\$62,500) shall be cash funds from gifts, grants, and
25 donations. In addition to said appropriation, the general assembly
26 anticipates that the department of health care policy and financing will
27 receive one hundred ninety-one thousand two hundred dollars (\$191,200)

1 federal funds in the fiscal year beginning July 1, 2008, for the
2 implementation of this act. Although the federal funds are not
3 appropriated in this act, they are noted for the purpose of indicating the
4 assumptions used relative to these funds in developing state appropriation
5 amounts.

6

7 (2) In addition to any other appropriation, there is hereby
8 appropriated, to the department of regulatory agencies, division of
9 insurance, for the fiscal year beginning July 1, 2008, the sum of [REDACTED]
10 twenty-nine thousand five hundred dollars (\$29,500) cash funds, or so
11 much thereof as may be necessary, for the implementation of this act.
12 Said sum, shall be from the division of insurance cash fund created in
13 section 10-1-103 (3), Colorado Revised Statutes.

14 (3) For the implementation of this act, the general fund
15 appropriation to the controlled maintenance trust fund made in section 23
16 of the annual general appropriation act, for the fiscal year beginning July
17 1, 2008, shall be decreased by one hundred twenty-eight thousand seven
18 hundred dollars (\$128,700).

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