

Second Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

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  
Appropriations

**House Committees**

Health and Human Services  
Appropriations

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

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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

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.*

SENATE  
3rd Reading Unamended  
April 22, 2008

SENATE  
Amended 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.

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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**

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; AND

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.

16 (2) (a) (I) THE STATE DEPARTMENT, IN COORDINATION WITH THE  
17 DIVISION OF INSURANCE AND A PANEL OF EXPERT ADVISORS APPOINTED BY  
18 THE GOVERNOR BY JULY 1, 2008, WHICH SHALL INCLUDE PERSONS WITH  
19 EXPERTISE IN ACTUARIAL SCIENCES, PERSONS WITH EXPERTISE IN  
20 DESIGNING HEALTH BENEFIT PLANS, PERSONS EXPERIENCED IN THE  
21 IMPLEMENTATION AND MANAGEMENT OF HEALTH BENEFIT PLANS,  
22 CONSUMERS, AND PERSONS REPRESENTING HEALTH CARE PROVIDERS,  
23 SHALL PREPARE A REQUEST FOR INFORMATION TO BE ISSUED TO HEALTH  
24 INSURANCE CARRIERS AND OTHER INTERESTED PARTIES, INCLUDING THE  
25 STATE OF COLORADO, REGARDING THE DEVELOPMENT OF THE CENTENNIAL  
26 CARE CHOICES PROGRAM, AS DESCRIBED IN THIS SECTION. THE REQUEST  
27 FOR INFORMATION SHALL REQUEST INTERESTED HEALTH INSURANCE

1 CARRIERS AND OTHER INTERESTED PARTIES, INCLUDING THE STATE OF  
2 COLORADO, TO PROVIDE INFORMATION REGARDING:

3 (A) THE DESIGN OF AND BENEFITS INCLUDED IN VALUE BENEFIT  
4 PLANS, REFERRED TO IN THIS SECTION AS VBPs, TO BE OFFERED IN THE  
5 INDIVIDUAL MARKET WITH A BENCHMARK STANDARD OF APPROXIMATELY  
6 EIGHTY PERCENT OF THE ACTUARIAL VALUE OF A PREFERRED PROVIDER  
7 ORGANIZATION PLAN OFFERED TO EMPLOYEES OF THE STATE OF  
8 COLORADO AT THE TIME THE REQUEST FOR INFORMATION IS ISSUED, AS  
9 SPECIFIED IN THE REQUEST FOR INFORMATION. IN ADDITION, THE STATE  
10 DEPARTMENT, WITH ASSISTANCE FROM THE DIVISION AND THE PANEL, MAY  
11 DEVELOP AND INCLUDE A REQUEST FOR INFORMATION ABOUT ADDITIONAL  
12 BENCHMARK STANDARDS IN THE REQUEST FOR INFORMATION PROCESS.

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


16 (II) EXCEPT AS AUTHORIZED IN THIS SECTION, THE REQUEST FOR  
17 INFORMATION SHALL NOT SPECIFY BENEFITS OR OTHER DETAILS TO BE  
18 INCLUDED IN THE PROPOSED VBP. IN DEVELOPING THE REQUEST FOR  
19 INFORMATION, THE STATE DEPARTMENT, IN COORDINATION WITH THE  
20 DIVISION AND THE PANEL, SHALL CONSIDER THE POTENTIAL RISKS OF  
21 ADVERSE SELECTION, CROWD OUT, AND OTHER FACTORS THAT MAY  
22 DESTABILIZE THE SMALL GROUP AND INDIVIDUAL MARKETS AS A RESULT  
23 OF OFFERING VBPs IN THE INDIVIDUAL MARKET.

24 (b) IN RESPONDING TO THE REQUEST FOR INFORMATION, A HEALTH  
25 INSURANCE CARRIER OR OTHER INTERESTED PARTIES SHALL ASSUME THE  
26 FOLLOWING:

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

1           (A) INCLUDE BENEFITS FOR PRIMARY AND PREVENTIVE CARE AND  
2 PARTICIPATION IN WELLNESS PROGRAMS AND INCENTIVES FOR PLAN  
3 PARTICIPANTS TO ENGAGE IN HEALTHIER BEHAVIOR;

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

6             
7           (C) ENCOURAGE THE USE OF HEALTH INFORMATION TECHNOLOGY  
8 AND TELEMEDICINE, INCLUDING, WITHOUT LIMITATION, HEALTH  
9 INFORMATION EXCHANGE, ELECTRONIC HEALTH RECORDS, AND  
10 ELECTRONIC PRESCRIPTIONS;

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

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

15           (F) SPECIFY AN ADEQUATE NETWORK OF PROVIDERS AVAILABLE  
16 UNDER THE VBP;

17           (G) ENCOURAGE THE USE OF REGIONAL NETWORKS OF HOSPITALS,  
18 PHYSICIANS, COMMUNITY HEALTH CENTERS AND OTHER SAFETY NET  
19 PROVIDERS, AND OTHER HEALTH CARE PROFESSIONALS, WHERE  
20 AVAILABLE, AND INNOVATIVE OR COLLABORATIVE EFFORTS WITHIN  
21 COMMUNITIES FOR THE PROVISION OF HEALTH CARE SERVICES;

22           (H) INCLUDE OPTIONAL COVERAGE CHOICES FOR PURCHASE BY  
23 CONSUMERS TO ADD TO THEIR VBPs;

24           (I) LIMIT THE DEMOGRAPHIC CHARACTERISTICS USED BY HEALTH  
25 INSURANCE CARRIERS IN DETERMINING PREMIUM RATES TO THE AGE OF  
26 THE INDIVIDUALS TO BE COVERED UNDER THE VBP AND THE GEOGRAPHIC  
27 LOCATION OF THE POLICYHOLDER;

1           (J) SPECIFY PREMIUM LEVELS FOR EACH VBP BY AGE GROUP,  
2 REGION BY REGION;

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

6           (L) ALLOW FOR THE PAYMENT OF ALL OR A PORTION OF THE  
7 COVERED PERSON'S PREMIUM FROM A STATE-PAID PREMIUM SUBSIDY, IF  
8 MADE AVAILABLE BY THE STATE FOR LOW-INCOME INDIVIDUALS AND  
9 FAMILIES; AND

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

12           [REDACTED]

13          (II) THAT THE STATE MAY IMPOSE A REQUIREMENT THAT ALL  
14 COLORADANS OBTAIN CREDITABLE COVERAGE, EITHER THROUGH A  
15 STATE-SANCTIONED VBP, ANOTHER HEALTH INSURANCE PRODUCT  
16 AVAILABLE IN THE PRIVATE MARKET FOR INDIVIDUALS OR GROUPS,  
17 PARTICIPATION IN A STATE OR FEDERAL PROGRAM PROVIDING BENEFITS OR  
18 COVERAGE FOR HEALTH CARE, OR ANY OTHER CREDITABLE COVERAGE;

19          (III) THAT THE STATE WILL ESTABLISH A MECHANISM TO ENFORCE  
20 THE REQUIREMENT THAT ALL COLORADO RESIDENTS OBTAIN CREDITABLE  
21 COVERAGE THROUGH THE STATE TAX LAWS, IF SUCH REQUIREMENT IS  
22 IMPOSED;

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

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

1 (VI) THAT THE STATE WILL AMEND THE STATE PLAN TO EXPAND  
2 ELIGIBILITY FOR THE COLORADO MEDICAL ASSISTANCE PROGRAM TO  
3 ADULTS WHOSE FAMILY INCOME DOES NOT EXCEED ONE HUNDRED  
4 PERCENT OF THE FEDERAL POVERTY LEVEL, ADJUSTED FOR FAMILY SIZE;  
5 AND

6 [REDACTED]  
7 (VII) THAT THE STATE WILL CREATE A DEDICATED SOURCE OF  
8 REVENUE, IF NECESSARY, TO FUND THE PREMIUM SUBSIDY PROGRAM OR  
9 OTHER NEW STATE COSTS.

10 [REDACTED]  
11 [REDACTED]  
12 (3) (a) BY DECEMBER 15, 2008, THE STATE DEPARTMENT, IN  
13 COORDINATION WITH THE DIVISION AND THE PANEL, SHALL SUBMIT A  
14 PROGRESS REPORT TO THE LEGISLATIVE COMMITTEES. THE PROGRESS  
15 REPORT SHALL PROVIDE AN UPDATE ON THE STATUS OF THE REQUEST FOR  
16 INFORMATION PROCESS.

17 (b) ON OR BEFORE MARCH 1, 2009, THE STATE DEPARTMENT, IN  
18 COORDINATION WITH THE DIVISION AND THE PANEL, SHALL SUBMIT A  
19 FINAL REPORT TO THE LEGISLATIVE COMMITTEES. PRIOR TO SUBMITTING  
20 THE FINAL REPORT, THE STATE DEPARTMENT, IN COORDINATION WITH THE  
21 DIVISION AND THE PANEL, SHALL ACQUIRE RELEVANT ACTUARIAL  
22 PROJECTIONS AND RESEARCH POTENTIAL COST SAVINGS. THE FINAL  
23 REPORT SHALL DETAIL THE RESULTS OF THE REQUEST FOR INFORMATION  
24 PROCESS AND THE ACTUARIAL AND COST SAVINGS RESEARCH, INCLUDING  
25 A SUMMARY OF THE INFORMATION SUBMITTED BY HEALTH INSURANCE  
26 CARRIERS AND OTHER INTERESTED PARTIES AND AN EVALUATION AND  
27 ANALYSIS OF THE RESULTS OF THE REQUEST FOR INFORMATION PROCESS.

1 IN ADDITION, THE FINAL REPORT SHALL INCLUDE RECOMMENDATIONS  
2 REGARDING ANY LEGISLATION THAT MAY BE NEEDED TO IMPLEMENT THE  
3 CENTENNIAL CARE CHOICES PROGRAM, VBPs, AND A PREMIUM SUBSIDY  
4 PROGRAM, IF APPLICABLE, AND COST PROJECTIONS REGARDING THE  
5 FUNDING NEEDED TO IMPLEMENT THE PROGRAM.

6 (c) AFTER RECEIPT OF THE FINAL REPORT, THE LEGISLATIVE  
7 COMMITTEES, MEETING JOINTLY, SHALL CONSIDER THE  
8 RECOMMENDATIONS INCLUDED IN THE FINAL REPORT AND DETERMINE  
9 WHETHER TO RECOMMEND LEGISLATION TO THE GENERAL ASSEMBLY THAT  
10 IS NECESSARY TO:

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

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

15 (d) IF THE LEGISLATIVE COMMITTEES RECOMMEND LEGISLATION  
16 TO THE GENERAL ASSEMBLY TO IMPLEMENT THE CENTENNIAL CARE  
17 CHOICES PROGRAM, INCLUDING THE AUTHORIZATION FOR THE  
18 DEVELOPMENT OF VBPs, THE CREATION OF A PREMIUM SUBSIDY  
19 PROGRAM, AND THE CREATION OF A FUNDING SOURCE, THE  
20 RECOMMENDATION SHOULD SPECIFY INCLUSION OF THE FOLLOWING  
21 ELEMENTS IN THE LEGISLATION:

22 (I) STANDARDS THAT VBPs MUST SATISFY IN ORDER TO BE  
23 CERTIFIED BY THE STATE DEPARTMENT AND THE DIVISION AND  
24 AUTHORIZED TO BE OFFERED TO COLORADO RESIDENTS BY ANY HEALTH  
25 INSURANCE CARRIER, REGARDLESS OF WHETHER THE HEALTH INSURANCE  
26 CARRIER DEVELOPED THE VBP IN RESPONSE TO THE REQUEST FOR  
27 PROPOSALS, AS LONG AS THE HEALTH INSURANCE CARRIER OFFERS A VBP

1 THAT MEETS SUCH STANDARDS AND THE REQUIREMENTS OF THIS SECTION;

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

3 (III) CREATION OF A CONSUMER ADVISORY COUNCIL FOR THE

4 CENTENNIAL CARE CHOICES PROGRAM;

5 (IV) A MECHANISM TO ENCOURAGE THE USE OF EVIDENCE-BASED

6 MEDICINE THROUGH CREATION OF A PATIENT SAFETY COUNCIL TO

7 EVALUATE PATIENT CARE WITH THE GOALS OF IMPROVING QUALITY OF

8 CARE AND MINIMIZING MEDICAL CARE MISTAKES;

9 (V) AUTHORIZATION FOR THE STATE DEPARTMENT AND THE

10 DIVISION TO ESTABLISH HEALTH MARTS THROUGH WHICH AN INDIVIDUAL

11 ELIGIBLE FOR A STATE SUBSIDY, IF CREATED, MAY SELECT A VBP THAT

12 BEST MEETS HIS OR HER NEEDS; AND

13 (VI) IF THE FUNDING SOURCE WOULD BE CREATED THROUGH A

14 NEW OR INCREASED TAX OR TAX RATE, A BALLOT QUESTION TO SEEK

15 VOTER APPROVAL AT A FUTURE GENERAL ELECTION FOR THE REVENUE

16 SOURCE.

17 (4) (a) IF THE GENERAL ASSEMBLY ENACTS LEGISLATION TO

18 CREATE THE CENTENNIAL CARE CHOICES PROGRAM, INCLUDING

19 AUTHORIZATION FOR THE DEVELOPMENT OF VBPs, THE CREATION OF A

20 PREMIUM SUBSIDY PROGRAM, AND THE CREATION OF A FUNDING SOURCE,

21 THE STATE DEPARTMENT, IN COORDINATION WITH THE DIVISION AND THE

22 PANEL, SHALL DETERMINE WHETHER A FUNDING SOURCE HAS BEEN

23 IDENTIFIED TO FUND THE CENTENNIAL CARE CHOICES PROGRAM. IF A

24 FUNDING SOURCE HAS BEEN IDENTIFIED AND APPROVED BY THE VOTERS,

25 IF NECESSARY, THE STATE DEPARTMENT MAY DEVELOP A REQUEST FOR

26 PROPOSALS TO BE ISSUED TO INTERESTED HEALTH INSURANCE CARRIERS

27 AND OTHER INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO.

1 THE REQUEST FOR PROPOSALS SHALL REQUEST INTERESTED PARTIES TO  
2 SUBMIT PROPOSALS FOR PLAN DESIGNS FOR VBPs TO BE OFFERED IN THE  
3 INDIVIDUAL MARKET, WHICH SHALL BE BASED ON THE PARAMETERS  
4 OUTLINED IN SUBSECTION (2) OF THIS SECTION IN THE REQUEST FOR  
5 INFORMATION, AS MODIFIED BY ANY LEGISLATION ENACTED BY THE  
6 GENERAL ASSEMBLY PURSUANT TO THIS SECTION.

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

14 (c) THE STATE DEPARTMENT SHALL INCLUDE THE SAME  
15 ASSUMPTIONS IN THE REQUEST FOR PROPOSALS THAT WERE INCLUDED IN  
16 THE REQUEST FOR INFORMATION PURSUANT TO SUBSECTION (2) OF THIS  
17 SECTION AND SHALL MODIFY THOSE ASSUMPTIONS TO THE EXTENT  
18 NECESSARY TO CONFORM TO ANY LEGISLATION ENACTED BY THE GENERAL  
19 ASSEMBLY PURSUANT TO THIS SECTION.

20 (5) THE STATE DEPARTMENT SHALL ENSURE THAT THE REQUEST  
21 FOR INFORMATION AND REQUEST FOR PROPOSALS PROCESSES ENCOURAGE  
22 COLLABORATION AND NEGOTIATION BETWEEN THE INTERESTED PARTIES  
23 RESPONDING TO THE REQUESTS AND THE STATE DEPARTMENT, DIVISION,  
24 AND PANEL REGARDING THE PRICE FOR AND BENEFITS INCLUDED IN VBPs.

25 (6) A HEALTH INSURANCE CARRIER OR OTHER INTERESTED PARTY  
26 SHALL NOT BE REQUIRED TO HAVE A CERTIFICATE OF AUTHORITY ISSUED  
27 BY THE COMMISSIONER OF INSURANCE PURSUANT TO SECTION 10-3-105.

1 C.R.S., IN ORDER TO RESPOND TO THE REQUEST FOR INFORMATION OR  
2 REQUEST FOR PROPOSALS, BUT THE HEALTH INSURANCE CARRIER OR  
3 OTHER INTERESTED PARTY SHALL BE ALLOWED TO OFFER AN APPROVED  
4 VBP TO ELIGIBLE COLORADO RESIDENTS ONLY IF THE PARTY OBTAINS A  
5 CERTIFICATE OF AUTHORITY TO TRANSACT THE BUSINESS OF INSURANCE  
6 IN THIS STATE PRIOR TO OFFERING THE VBP.

7 (7) A HEALTH INSURANCE CARRIER OR OTHER INTERESTED PARTY  
8 THAT SUBMITS INFORMATION OR A PROPOSAL IN RESPONSE TO THE  
9 REQUEST FOR INFORMATION OR THE REQUEST FOR PROPOSALS,  
10 RESPECTIVELY, SHALL NOT BE OBLIGATED TO OFFER A VBP IF, AFTER  
11 SUBMISSION OF INFORMATION OR A PROPOSAL, THE GENERAL ASSEMBLY,  
12 BY BILL, MODIFIES THE DESIGN OF THE VBP.

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

18 (9) AS USED IN THIS SECTION:

19 (a) "COLORADO MEDICAL ASSISTANCE PROGRAM" MEANS THE  
20 PROGRAM ESTABLISHED IN THE "COLORADO MEDICAL ASSISTANCE ACT",  
21 ARTICLES 4, 5, AND 6 OF THIS TITLE.

22 (b) "COVERCOLORADO PROGRAM" MEANS THE PROGRAM CREATED  
23 IN PART 5 OF ARTICLE 8 OF TITLE 10, C.R.S.

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

26 (d) "DIVISION OF INSURANCE" OR "DIVISION" MEANS THE DIVISION  
27 OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES.

1           (e) "HEALTH INSURANCE CARRIER" SHALL HAVE THE SAME  
2           MEANING AS "CARRIER", AS DEFINED IN SECTION 10-16-102, AND SHALL  
3           INCLUDE A CARRIER THAT IS NOT CURRENTLY PROVIDING HEALTH  
4           COVERAGE IN THE STATE OR THAT DOES NOT, AT THE TIME THE REQUEST  
5           FOR INFORMATION OR REQUEST FOR PROPOSALS IS ISSUED, HAVE A  
6           CERTIFICATE OF AUTHORITY FROM THE COMMISSIONER OF INSURANCE  
7           PURSUANT TO SECTION 10-3-105, C.R.S.

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

11          (g) "LEGISLATIVE COMMITTEES" MEANS THE HEALTH AND HUMAN  
12          SERVICES COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,  
13          OR THEIR SUCCESSOR COMMITTEES.

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

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

21          **SECTION 2. Appropriation -- adjustment to the 2008 long**  
22          **bill. (1) For the implementation of this act, appropriations made in the**  
23          **annual general appropriation act to the department of health care policy**  
24          **and financing, for the fiscal year beginning July 1, 2008, shall be adjusted**  
25          **as follows:**

26          (a) The appropriation to the executive director's office, for  
27          personal services is increased by the sum of eighty-four thousand five

1 hundred ninety-three dollars (\$84,593) general fund and 3.0 FTE, or so  
2 much thereof as may be necessary, for the implementation of this act. In  
3 addition to said appropriation, the general assembly anticipates that the  
4 department of health care policy and financing will receive eighty-four  
5 thousand five hundred ninety-two dollars (\$84,592) federal funds in the  
6 fiscal year beginning July 1, 2008, for the implementation of this act.  
7 Although the federal funds are not appropriated in this act, they are noted  
8 for the purpose of indicating the assumptions used relative to these funds  
9 in developing state appropriation amounts.

10 (b) The appropriation to the executive director's office, for  
11 operating expenses is increased by the sum of six thousand six hundred  
12 seven dollars (\$6,607) general fund, or so much thereof as may be  
13 necessary, for the implementation of this act. In addition to said  
14 appropriation, the general assembly anticipates that the department of  
15 health care policy and financing will receive six thousand six hundred  
16 eight dollars (\$6,608) federal funds in the fiscal year beginning July 1,  
17 2008, for the implementation of this act. Although the federal funds are  
18 not appropriated in this act, they are noted for the purpose of indicating  
19 the assumptions used relative to these funds in developing state  
20 appropriation amounts.

21 (c) The appropriation to the executive director's office, for general  
22 professional services and special projects is increased by the sum of  
23 thirty-seven thousand five hundred dollars (\$37,500) general fund, or so  
24 much thereof as may be necessary, for the implementation of this act. In  
25 addition to said appropriation, the general assembly anticipates that the  
26 department of health care policy and financing will receive thirty-seven  
27 thousand five hundred dollars (\$37,500) federal funds in the fiscal year

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

5 (2) In addition to any other appropriation, there is hereby  
6 appropriated, to the department of regulatory agencies, division of  
7 insurance, for the fiscal year beginning July 1, 2008, the sum of fifteen  
8 thousand nine hundred dollars (\$15,900) cash funds, or so much thereof  
9 as may be necessary, for the implementation of this act. Said sum, shall  
10 be from the division of insurance cash fund created in section 10-1-103

11 (3), Colorado Revised Statutes.

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

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