

HOUSE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

April 28, 2008  
Date

Committee on Health and Human Services.

After consideration on the merits, the Committee recommends the following:

SB08-217 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend reengrossed bill, page 3, line 25, strike "AND".
- 2 Page 4, line 5, strike "POPULATION." and substitute "POPULATION; AND";
- 3 after line 5, insert the following:
  - 4 "(f) IN ADDITION, THE STATE DEPARTMENT, IN COORDINATION
  - 5 WITH THE DIVISION OF INSURANCE AND THE PANEL OF EXPERT ADVISORS
  - 6 APPOINTED BY THE GOVERNOR PURSUANT TO THIS SECTION, IS URGED TO
  - 7 CONDUCT THE REQUEST FOR INFORMATION PROCESS EXPEDITIOUSLY AND
  - 8 TO SUBMIT ITS REPORTS TO THE LEGISLATIVE COMMITTEES EARLIER THAN
  - 9 THE DATES SPECIFIED IN THIS SECTION, BUT IN NO CASE LATER THAN THOSE
  - 10 DATES, SO AS TO AFFORD THE GENERAL ASSEMBLY SUFFICIENT TIME TO
  - 11 CONSIDER THE REPORTS AND TAKE ANY LEGISLATIVE ACTION THE
  - 12 GENERAL ASSEMBLY MAY DEEM APPROPRIATE DURING THE 2009
  - 13 LEGISLATIVE SESSION.";
- 14 line 8, strike "AUGUST" and substitute "JULY";
- 15 line 10, strike "ENGAGED" and substitute "EXPERIENCED";
- 16 line 14, strike "CARRIERS." and substitute "CARRIERS AND OTHER
- 17 INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO, REGARDING
- 18 THE DEVELOPMENT OF THE CENTENNIAL CARE CHOICES PROGRAM, AS

1 DESCRIBED IN THIS SECTION.";

2 line 15, after "CARRIERS", insert "AND OTHER INTERESTED PARTIES,  
3 INCLUDING THE STATE OF COLORADO,";

4 line 19, strike "THAT APPROXIMATE" and substitute "WITH A BENCHMARK  
5 STANDARD OF APPROXIMATELY";

6 strike line 23 and substitute the following:

7 "INFORMATION. IN ADDITION, THE STATE DEPARTMENT, WITH ASSISTANCE  
8 FROM THE DIVISION AND THE PANEL, MAY DEVELOP AND INCLUDE A  
9 REQUEST FOR INFORMATION ABOUT ADDITIONAL BENCHMARK STANDARDS  
10 IN THE REQUEST FOR INFORMATION PROCESS."

11 Page 5, line 2, after "VBP.", add "IN DEVELOPING THE REQUEST FOR  
12 INFORMATION, THE STATE DEPARTMENT, IN COORDINATION WITH THE  
13 DIVISION AND THE PANEL, SHALL CONSIDER THE POTENTIAL RISKS OF  
14 ADVERSE SELECTION, CROWD OUT, AND OTHER FACTORS THAT MAY  
15 DESTABILIZE THE SMALL GROUP AND INDIVIDUAL MARKETS AS A RESULT  
16 OF OFFERING VBPs IN THE INDIVIDUAL MARKET.";

17 line 4, after "CARRIER", insert "OR OTHER INTERESTED PARTIES" and,  
18 strike "THAT A VBP WILL, AT A MINIMUM:" and substitute "THE  
19 FOLLOWING:";

20 after line 4, insert the following:

21 (I) THAT A VBP WILL, AT A MINIMUM:";

22 line 5, strike "(I)" and substitute "(A)";

23 line 8, strike "(II)" and substitute "(B)";

24 strike lines 10 through 15;

25 line 16, strike "(V)" and substitute "(C)";

26 line 20, strike "(VI)" and substitute "(D)";

27 line 22, strike "(VII)" and substitute "(E)";

- 1 line 24, strike "(VIII)" and substitute "(F)";
- 2 line 26, strike "(IX)" and substitute "(G)".
- 3 Page 6, line 4, strike "(X)" and substitute "(H)";
- 4 line 6, strike "(XI)" and substitute "(I)";
- 5 line 10, strike "(XII)" and substitute "(J)";
- 6 line 12, strike "(XIII)" and substitute "(K)";
- 7 line 15, strike "(XIV)" and substitute "(L)";
- 8 line 19, strike "(XV)" and substitute "(M)" and, strike "MARKET" and
- 9 substitute "AND INDIVIDUAL MARKETS";
- 10 strike lines 21 through 27.
- 11 Page 7, strike lines 1 through 15 and substitute the following:
  - 12 "(II) THAT THE STATE MAY IMPOSE A REQUIREMENT";
  - 13 line 22, strike "(II) AN ASSUMPTION THAT" and substitute "(III) THAT";
  - 14 line 26, strike "(III) AN ASSUMPTION THAT" and substitute "(IV) THAT".
- 15 Page 8, line 1, strike "(IV) AN ASSUMPTION THAT" and substitute
- 16 "(V) THAT";
  - 17 line 4, strike "(V) AN ASSUMPTION THAT" and substitute "(VI) THAT";
  - 18 line 6, strike "SINGLE";
  - 19 line 8, strike "SIZE;" and substitute "SIZE; AND";
  - 20 strike lines 9 through 21;
  - 21 line 22, strike "(IX) AN ASSUMPTION THAT" and substitute "(VII) THAT";
  - 22 strike lines 25 through 27.

1 Strike page 9.

2 Page 10, strike lines 1 through 5 and substitute the following:

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

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

24 (c) AFTER RECEIPT OF THE FINAL REPORT, THE LEGISLATIVE  
25 COMMITTEES, MEETING JOINTLY, SHALL CONSIDER THE  
26 RECOMMENDATIONS INCLUDED IN THE FINAL REPORT AND DETERMINE  
27 WHETHER TO RECOMMEND LEGISLATION TO THE GENERAL ASSEMBLY THAT  
28 IS NECESSARY TO:

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

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

33 (d) IF THE LEGISLATIVE COMMITTEES RECOMMEND LEGISLATION  
34 TO THE GENERAL ASSEMBLY TO IMPLEMENT THE CENTENNIAL CARE

1 CHOICES PROGRAM, INCLUDING THE AUTHORIZATION FOR THE  
2 DEVELOPMENT OF VBPs, THE CREATION OF A PREMIUM SUBSIDY  
3 PROGRAM, AND THE CREATION OF A FUNDING SOURCE, THE  
4 RECOMMENDATION SHOULD SPECIFY INCLUSION OF THE FOLLOWING  
5 ELEMENTS IN THE LEGISLATION:";

6 line 15, strike "AND";

7 strike lines 16 through 18 and substitute the following:

8 "(IV) A MECHANISM TO ENCOURAGE THE USE OF EVIDENCE-BASED  
9 MEDICINE THROUGH CREATION OF A PATIENT SAFETY COUNCIL TO  
10 EVALUATE PATIENT CARE WITH THE GOALS OF IMPROVING QUALITY OF  
11 CARE AND MINIMIZING MEDICAL CARE MISTAKES;

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

16 (VI) IF THE FUNDING SOURCE WOULD";

17 after line 21, insert the following:

18 "(4) (a) IF THE GENERAL ASSEMBLY ENACTS LEGISLATION TO  
19 CREATE THE CENTENNIAL CARE CHOICES PROGRAM, INCLUDING  
20 AUTHORIZATION FOR THE DEVELOPMENT OF VBPs, THE CREATION OF A  
21 PREMIUM SUBSIDY PROGRAM, AND THE CREATION OF A FUNDING SOURCE,  
22 THE STATE DEPARTMENT, IN COORDINATION WITH THE DIVISION AND THE  
23 PANEL, SHALL DETERMINE WHETHER A FUNDING SOURCE HAS BEEN  
24 IDENTIFIED TO FUND THE CENTENNIAL CARE CHOICES PROGRAM. IF A  
25 FUNDING SOURCE HAS BEEN IDENTIFIED AND APPROVED BY THE VOTERS,  
26 IF NECESSARY, THE STATE DEPARTMENT MAY DEVELOP A REQUEST FOR  
27 PROPOSALS TO BE ISSUED TO INTERESTED HEALTH INSURANCE CARRIERS  
28 AND OTHER INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO.  
29 THE REQUEST FOR PROPOSALS SHALL REQUEST INTERESTED PARTIES TO  
30 SUBMIT PROPOSALS FOR PLAN DESIGNS FOR VBPs TO BE OFFERED IN THE  
31 INDIVIDUAL MARKET, WHICH SHALL BE BASED ON THE PARAMETERS  
32 OUTLINED IN SUBSECTION (2) OF THIS SECTION IN THE REQUEST FOR  
33 INFORMATION, AS MODIFIED BY ANY LEGISLATION ENACTED BY THE  
34 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  
19 VBPs."

20 Renumber succeeding subsections accordingly.

21 Page 10, line 22, after "CARRIER", insert "OR OTHER INTERESTED PARTY";

22 line 25, strike "PROPOSALS" and substitute "PROPOSALS,";

23 line 26, after "BUT", insert "THE HEALTH INSURANCE CARRIER OR OTHER  
24 INTERESTED PARTY";

25 line 27, strike "HEALTH INSURANCE CARRIER" and substitute "PARTY".

26 Page 11, line 3, after "CARRIER", insert "OR OTHER INTERESTED PARTY".

27 Page 12, after line 2, insert the following:

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

1 (g) "LEGISLATIVE COMMITTEES" MEANS THE HEALTH AND HUMAN  
2 SERVICES COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,  
3 OR THEIR SUCCESSOR COMMITTEES."

4 Reletter succeeding paragraphs accordingly.

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