

Be it Enacted by the People of the State of Colorado:

The Constitution of the State of Colorado is amended BY THE ADDITION OF A NEW ARTICLE to read:

Article XXX

Establishment of a Statewide Universal Public Health Insurance Program

Section 1. Purpose and findings

The people of the state of Colorado hereby find and declare that hundreds of thousands of Colorado residents remain uninsured and unable to access all appropriate medical care, rates of underinsurance are rising among the privately insured population, medical cost inflation continues to rise at an unsustainable rate, more businesses are finding private insurance premiums to be unaffordable and resulting in reduced global competitiveness, residents can be stuck in jobs or unable to pursue educational opportunities due to needing to maintain employer-sponsored health insurance, there is a lack of transparency in medical costs, escalating medical costs are an increasing strain on family, business, municipal and state budgets, health care services fail to function as an open market, and that the interests of the public are best served by creating a universal public health insurance program to cover all medically necessary services for all residents. As public roads, schools, libraries, and public safety services have long been held in Colorado as matters effecting the public well-being of all residents, access to high quality health care shall not be treated as a commodity in this state that may be denied to some and affordable only to others. As a matter of public good and human right for all residing in Colorado, access to an appropriate single standard of high quality health care without financial barrier shall be provided through one public social insurance program, called the Colorado Health Services Program (CHSP).

Section 2. Definitions

(1) "Medically necessary services" means all health care services, supplies or interventions recommended by a treating licensed health care provider that is used to diagnose, prevent or treat an illness, injury or condition;

lessen pain or severity of a condition; improve upon or keep a condition from getting worse; or functionally rehabilitate a person. Medically necessary services are those appropriate and consistent with diagnosis and patient health status, must meet accepted standards of good medical practice and must be safely provided. Cosmetic or otherwise elective procedures are not considered medically necessary services for the purposes of this Article.

(2) "Licensed health care provider" means any medical practitioner licensed by the State of Colorado to provide medical services.

(3) "ACA" means the Patient Protection and Affordable Care Act of 2010.

Section 3. Covered medical services

(1) All Colorado residents will be covered for the same level of necessary medical, mental health, dental, and long term care services at least as broad in scope as required under the Patient Protection and Affordable Care Act of 2010 (ACA).

(2) Covered medical services include all primary and preventive care, specialty care, surgical care, hospitalization, laboratory and x-ray services, emergency care, automobile and work-related injuries, prescription drugs, durable medical equipment, pathology and autopsies, mental health services, substance abuse treatment, patient education, chiropractic services, dental services, basic vision care, audiology services and treatment, medical transport, physical therapy and rehabilitation and home health and hospice services. Full long-term care will be incorporated over time, with consideration for the increased demand that will occur upon its initial inclusion. In the first year there will be allowance for a 25% increase in home and community-based care (in addition to any savings from institutional care and anticipated savings from consolidation of all current programs for long-term care, including 80 federal programs). Long-term care will be financed by the Colorado Health Services Program, with the exception of 'room and board' payments by patients who are not low-income requiring institutional care.

Section 4. Governing Board

The Colorado Health Services Program shall be administered by a

governing board, called the Colorado Health Services Board, comprising 15 to 21 members. The state will have five to seven regional districts under the governing board for the purpose of local administration, billing processing, medical directorship, and oversight of programs that may be specific to regional needs. Three members from each district shall be appointed by the Governor on a four year rotating cycle, so that one member from each district is appointed every four years for a 12-year term. Initial terms for the three seats in each district shall be 4-, 8-, and 12-year terms to create the 4-year term rotation schedule in each district. Vacancies shall be filled by the Governor whenever they arise. Those appointed by the governor must be approved by the senate and by a majority of the house members from each respective district.

Section 5. Information Technology

- (1) The Colorado Health Services Program shall implement a system of electronic health records and medical billing.
- (2) This system shall be available for providers to submit medical billing claims electronically.
- (3) This system shall allow treating licensed health care providers to access patient medical records necessary for appropriate medical care.
- (4) This system shall allow for meaningful use in the study and application of public health policies; quality improvement; reduction of fraud, waste and abuse; cost containment; payment incentives; and evidence-based medicine.
- (5) All covered residents shall receive a identification card to be used by providers to access patient medical records and submit medical claims.
- (6) Residents shall be able to securely access their own personal electronic health records.
- (7) The state of Colorado shall leverage existing work and technology where meaningful and practical in the development of systems supporting the Colorado Health Services Program including, but not limited to, the Colorado Health Benefits Exchange, the Colorado All Payer Claims Database, work on electronic health records, and technology used by the Department of Health Care Policy and Financing.
- (8) No technology or use of technology shall violate federal privacy standards such as those included in HIPAA.

Section 6. Eligibility and Registration

(1) All individuals residing in the State of Colorado for at least six months are covered under the Colorado Health Services Program and shall receive a card with a unique number in the mail. An individual's Social Security number shall not be used for the purposes of registration. Temporary relocation outside the state of Colorado shall not be grounds for terminating enrollment.

(2) Residents of the state of Colorado with less than 6 months of residency may enroll provisionally by paying a separate individual or family premium set by the Governing Board.

(3) Individuals who present themselves for covered services from a participating provider shall be presumed to be eligible for benefits under this Article, but shall complete an application for benefits in order to receive a CHS insurance card and have payment made for such benefits.

(4) Covered residents who leave the state will be allowed COBRA coverage for a monthly premium for the term mandated by federal law, with payments for care provided equal to the reimbursement paid to providers within the Colorado Health Services Program for that set amount of time.

Section 7. Single risk pool

As all eligible residents will be covered for medical services, the Colorado Health Services Program will function as a single state-wide risk pool. No variation in premiums will be allowed based on health status, claims history, age, gender, geography, occupation, industry, family size or smoking status.

Section 8. Health Services Trust Fund

(1) Premiums collected for the delivery of health care services shall be deposited in a Health Services Trust, separate from the General Fund and administered by the Colorado Health Services Board.

(2) The Legislature cannot remove funds allocated to the trust without the consent of the people.

(3) The Colorado Health Services Program cannot operate in a deficit.

(4) The overhead of the Colorado Health Services Program cannot exceed 5% of total expenditures.

(5) The Colorado Health Services Program has constitutional power to contain costs.

(6) Funds allocated to the trust may only be used for payment of covered health services, matters related to public health, and associated

administrative costs.

Section 9. Premiums and Other Revenue Sources

(1) Fair and equitable premiums shall be established by the Colorado Health Services Board, based on a combination of modest payroll and income taxes not to exceed the actuarial equivalent of 6% income tax and 4% employer payroll tax.

(2) Employers may elect to pay all, some, or none of the employee contribution.

(3) To simplify administration and eliminate economic hardship for low- and middle-income earners, premiums shall be based simply on income, rather than a fixed cost with applied income-based subsidies.

(4) Initial average Colorado Health Services Program premiums for all covered residents shall be lower than average private health insurance premiums for those previously covered under private plans.

(5) To reduce premiums, the state of Colorado may authorize other relevant sources of revenue, such as "sin taxes" on alcohol and tobacco.

(6) Where allowable by law, existing health care related revenue currently collected, such as the medical portion of workers' compensation or Medicaid taxes shall be transferred to the Health Services Trust Fund.

(4) Premiums shall be collected by the state of Colorado for coverage in the public plan, and appropriate State agencies shall promulgate the rules and regulations to achieve full implementation of this public health coverage no later than January 2017.

Section 10. Claims Submission and Payment for Medical Services

(1) Health care providers will submit all claims electronically.

(2) The Colorado Health Services Program will pay providers for all medically necessary services within a week of verified submission of a clean claim.

(3) Covered residents shall not be subject to balance billing from any participating health care provider.

(4) The Colorado Health Services Board may develop alternative payment models, including, but not limited to, bundled payments, capitation, global budgeting or DRG-based payments. This shall not prevent providers from receiving payment based on fee-for-service.

(5) Initial payment rates for each medical service shall be based upon the average payment for that service across all payers and claims in Colorado.

- (6) The Colorado Health Services Program shall operate a single, statewide pharmacy formulary and have the power to negotiate lower prices through bulk purchasing of pharmaceuticals and durable medical goods. All pharmacies across the state shall have access to this statewide pharmacy formulary and shall be reimbursed at cost plus a dispensing fee.
- (7) The Colorado Health Services Program shall have the power to negotiate and set standard rates for medical services.
- (8) The Colorado Health Services Board may develop geographic payment incentives to encourage provider expansion in under-represented areas.

Section 11. Medical Home and Free Provider Choice

- (1) All Colorado residents eligible under Section 6 shall be able to select a personal primary care provider, community clinic, or Accountable Care Organization as their Medical Home.
- (2) All residents shall have free choice of any licensed health care provider and hospital within the state and shall not be constrained to a limited network of providers.
- (3) All residents shall have the power to change their Medical Home at any point in time.
- (4) At all times under this plan, Colorado's residents will maintain the freedom to select their own health care providers, as Colorado's seniors covered by the federal Medicare program have done since that program's inception.

Section 12. Public Health Insurance as Primary Payer

- (1) The Colorado Health Services Program shall be the primary payer for medical services received by covered residents.
- (2) This Article shall not prevent covered residents from obtaining additional private insurance for health coverage options above the covered benefits package.
- (3) It shall not be necessary for any Colorado resident to carry other private insurance for medically necessary health care services.
- (4) The Colorado Health Services Program shall cover all emergent medical needs received outside the state of Colorado. Furthermore, non-emergent medical services received outside the state of Colorado shall be paid for at rates no higher than those determined by the Colorado Health Services Board for in-state services.
- (5) The Colorado Health Services Program shall not be the primary payer

for individuals covered by federal health care programs until such time as they can be brought into the CHSP through appropriate federal waivers. The Colorado Health Services Program shall be a secondary payer for covered services for residents where the primary payer does not cover the full amount allowed under the Colorado Health Services Program.

Section 13. Cost sharing

- (1) No co-pays or deductibles shall be incurred by patients for the first three years of operation.
- (2) Before implementing any cost-sharing mechanisms, the Colorado Health Services Program shall conduct a study on utilization during this time to determine appropriate co-pays, if any, and the impact of co-pays and deductibles on access, utilization, and administrative overhead.
- (3) Any cost sharing structure later instituted shall be minimal and shall not create an economic hardship that prevents residents from accessing or receiving necessary medical services.

Section 13. Federal Waivers

- (1) The state of Colorado shall pursue all available waivers for federal funds currently used to cover or subsidize health care for residents of Colorado, including but not limited to, Medicaid, SCHIP, Medicare, VA and IHS.
- (2) As early as possible, the state of Colorado shall apply for a State Innovation Waiver as provided for in the Affordable Care Act, Section 1332.

Section 14. Self-executing, severability, conflicting provisions.

All provisions of this section are self-executing and severable, and, except where otherwise indicated in the text, shall supersede conflicting state statutory, local charter, ordinance, or resolution, and other state and local provisions.

Section 15. Effective Date.

Unless otherwise provided by this section, all provisions of this section shall become effective upon official declaration of the voter hereon by proclamation of the Governor, pursuant to Section 1(4) of Article V.