

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**PREAMENDED**

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

LLS NO. 07-0061.01 Christy Chase

**SENATE BILL 07-004**

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**SENATE SPONSORSHIP**

**Shaffer**, and Williams

**HOUSE SPONSORSHIP**

**Todd**, and Solano

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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 A COORDINATED SYSTEM OF PAYMENT FOR EARLY**  
102 **INTERVENTION SERVICES FOR CHILDREN ELIGIBLE FOR**  
103 **BENEFITS UNDER PART C OF THE FEDERAL "INDIVIDUALS WITH**  
104 **DISABILITIES EDUCATION ACT", AND, IN CONNECTION**  
105 **THEREWITH, REQUIRING THE DEPARTMENT OF HUMAN SERVICES**  
106 **TO DEVELOP A COORDINATED PAYMENT SYSTEM, REQUIRING**  
107 **COVERAGE OF EARLY INTERVENTION SERVICES BY PUBLIC**  
108 **MEDICAL ASSISTANCE AND PRIVATE HEALTH INSURANCE, AND**  
109 **MAKING AN APPROPRIATION.**

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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*

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 18, 2007

SENATE  
Amended 2nd Reading  
April 17, 2007

*adopted.)*

**Early Childhood and School Readiness Commission.** Requires the department of human services (department) to develop and implement a coordinated system of payment for early intervention services for children from birth through their 3rd birthday who have developmental disabilities or developmental delays, using both public and private funds. In developing and implementing the system, specifies that the department is to:

Establish an interagency cooperating agreement with the departments of education, health care policy and financing, public health and environment, and regulatory agencies regarding the responsibilities of each department;  
Develop the system for using public and private funds in cooperation with those specified departments and with private health insurance carriers;  
Certify community centered boards (CCBs) or other entities as the billing agents for early intervention services;  
Certify CCBs or other entities as the provider network for early intervention services; and  
Ensure an appropriate allocation of costs among federal, state, local, and private sources.

Requires the departments of education, health care policy and financing, public health and environment, and regulatory agencies, and private health insurance carriers to cooperate with the department in implementing this act and specifies particular duties of those departments and private health insurance carriers.

Obligates CCBs and other designated entities to use procedures and forms determined by the department to provide or purchase early intervention services on behalf of eligible children and to submit invoices for the services to the appropriate federal, state, local, or private funding source based on available funds and applicable reimbursement rates.

Requires the department to submit an annual report to the general assembly regarding the various funding sources used for early intervention services, the number of eligible children served, and the average cost of early intervention services.

Requires the department of health care policy and financing to ensure integration of the medicaid system and the children's basic health plan into the coordinated system of payment for early intervention services and to make necessary modifications to medicaid and the children's basic health plan to achieve such integration.

Requires health insurance policies and health care service or indemnity contracts issued or delivered on or after January 1, 2008, to provide coverage for early intervention services delivered by an early intervention specialist to an eligible child. Specifies the duration and

limitations of the coverage and precludes the applicability of deductibles, copayments, and lifetime caps on the coverage. Limits the existing mandated coverage for congenital defects and birth abnormalities to a covered child from the child's 3rd birthday to the child's 6th birthday.

Defines terms. Makes legislative findings.

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

2 **SECTION 1.** Article 10.5 of title 27, Colorado Revised Statutes,  
3 is amended BY THE ADDITION OF A NEW PART to read:

4 PART 7  
5 COORDINATED SYSTEM OF PAYMENT FOR  
6 EARLY INTERVENTION SERVICES  
7 FOR INFANTS AND TODDLERS

8 **27-10.5-701. Legislative declaration.** (1) THE GENERAL  
9 ASSEMBLY HEREBY FINDS THAT:

10 (a) THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION,  
11 WHICH IS THE SUCCESSOR OF THE CHILD CARE COMMISSION, WAS CREATED  
12 IN THE 2004 LEGISLATIVE SESSION IN ORDER TO STUDY, REVIEW, AND  
13 EVALUATE THE DEVELOPMENT OF PLANS FOR CREATING A COMPREHENSIVE  
14 EARLY CHILDHOOD SYSTEM.

15 (b) THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION  
16 HAS EXTENSIVELY STUDIED AND EVALUATED ISSUES REGARDING EARLY  
17 INTERVENTION SERVICES FOR INFANTS AND TODDLERS WHO HAVE DELAYS  
18 IN DEVELOPMENT AND HAS LEARNED THAT THERE IS NO COORDINATED  
19 SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES, RESULTING IN  
20 THE PROVISION OF DISJUNCTIVE OR INTERRUPTED SERVICES TO ELIGIBLE  
21 CHILDREN AND INADEQUATE REIMBURSEMENT OF EARLY INTERVENTION  
22 SERVICE PROVIDERS.

23 (c) THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION

1 ALSO WAS INFORMED THAT MANY ELIGIBLE CHILDREN ARE COVERED AS  
2 DEPENDENTS BY THEIR PARENTS' HEALTH CARE PLANS, BUT SOME OF THE  
3 PLANS MAY DENY BENEFITS FOR EARLY INTERVENTION SERVICES, THEREBY  
4 ELIMINATING A SOURCE OF PRIVATE FUNDS FOR THE PAYMENT OF EARLY  
5 INTERVENTION SERVICES.

6 (d) PURSUANT TO PART C OF THE FEDERAL "INDIVIDUALS WITH  
7 DISABILITIES EDUCATION ACT", 20 U.S.C. SEC. 1400 ET SEQ., AS  
8 AMENDED, THERE IS AN URGENT AND SUBSTANTIAL NEED TO FACILITATE  
9 THE COORDINATION OF PAYMENT FOR EARLY INTERVENTION SERVICES  
10 FROM FEDERAL, STATE, LOCAL, AND PRIVATE SOURCES, INCLUDING PUBLIC  
11 MEDICAL ASSISTANCE AND PRIVATE INSURANCE COVERAGE.

12 (e) THE LONGER A CHILD'S DEVELOPMENTAL DELAYS ARE NOT  
13 ADDRESSED, THE MORE DEVELOPMENTAL DIFFICULTIES THE CHILD WILL  
14 EXPERIENCE IN THE FUTURE, THE LESS PREPARED THE CHILD WILL BE FOR  
15 SCHOOL, THE MORE SPECIAL EDUCATION NEEDS THE CHILD IS LIKELY TO  
16 HAVE, AND THE MORE COSTLY THOSE PROBLEMS WILL BE TO ADDRESS.

17 (f) COLORADO'S SYSTEM FOR PROVIDING EARLY INTERVENTION  
18 SERVICES TO ELIGIBLE INFANTS AND TODDLERS UP TO THEIR THIRD  
19 BIRTHDAY WITH SIGNIFICANT DEVELOPMENTAL DISABILITIES AND DELAYS  
20 RELIES ON MULTIPLE SOURCES OF FUNDING.

21 (g) EXISTING LEVELS OF LOCAL, STATE, FEDERAL, AND PRIVATE  
22 FUNDING MAY BE MORE EFFICIENTLY USED, MORE CHILDREN MAY BE  
23 SERVED, AND A HIGHER QUALITY OF SERVICES MAY BE PROVIDED IF THE  
24 EXISTING EARLY INTERVENTION SYSTEM IS MODIFIED TO CREATE A MORE  
25 COHERENT AND COORDINATED SYSTEM OF PAYMENT FOR EARLY  
26 INTERVENTION SERVICES.

27 **27-10.5-702. Definitions.** AS USED IN THIS PART 7, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "CARRIER" SHALL HAVE THE SAME MEANING AS SET FORTH IN  
3 SECTION 10-16-102 (8), C.R.S.

4 (2) "CERTIFIED EARLY INTERVENTION SERVICE BROKER" OR  
5 "BROKER" MEANS A COMMUNITY CENTERED BOARD OR OTHER ENTITY  
6 DESIGNATED BY THE DEPARTMENT TO PERFORM THE DUTIES AND  
7 FUNCTIONS SPECIFIED IN SECTION 27-10.5-705 IN A PARTICULAR  
8 DESIGNATED SERVICE AREA. NOTWITHSTANDING SECTION 27-10.5-104  
9 (4), IF THE DEPARTMENT IS UNABLE TO DESIGNATE A COMMUNITY  
10 CENTERED BOARD OR OTHER ENTITY TO SERVE AS THE BROKER FOR A  
11 PARTICULAR DESIGNATED SERVICE AREA, THE DEPARTMENT SHALL SERVE  
12 AS THE BROKER FOR THE DESIGNATED SERVICE AREA AND MAY CONTRACT  
13 DIRECTLY WITH EARLY INTERVENTION SERVICE PROVIDERS TO PROVIDE  
14 EARLY INTERVENTION SERVICES TO ELIGIBLE CHILDREN IN THE  
15 DESIGNATED SERVICE AREA.

16 (3) "COORDINATED SYSTEM OF PAYMENT" MEANS THE POLICIES  
17 AND PROCEDURES DEVELOPED BY THE DEPARTMENT, IN COOPERATION  
18 WITH THE DEPARTMENTS OF EDUCATION, HEALTH CARE POLICY AND  
19 FINANCING, AND PUBLIC HEALTH AND ENVIRONMENT, THE DIVISION OF  
20 INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES, PRIVATE  
21 HEALTH INSURANCE CARRIERS, AND CERTIFIED EARLY INTERVENTION  
22 SERVICE BROKERS, TO ENSURE THAT AVAILABLE PUBLIC AND PRIVATE  
23 SOURCES OF FUNDS TO PAY FOR EARLY INTERVENTION SERVICES FOR  
24 ELIGIBLE CHILDREN ARE ACCESSED AND UTILIZED IN AN EFFICIENT  
25 MANNER.

26 (4) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN SERVICES.

27 (5) "EARLY INTERVENTION SERVICES" MEANS SERVICES AS

1 DEFINED BY THE DEPARTMENT IN ACCORDANCE WITH PART C THAT ARE  
2 AUTHORIZED THROUGH AN ELIGIBLE CHILD'S IFSP. \_\_\_\_\_ EARLY  
3 INTERVENTION SERVICES, AS SPECIFIED IN AN ELIGIBLE CHILD'S IFSP,  
4 SHALL QUALIFY AS MEETING THE STANDARD FOR MEDICALLY NECESSARY  
5 SERVICES AS USED BY \_\_\_\_\_ PRIVATE HEALTH INSURANCE AND AS USED BY  
6 PUBLIC MEDICAL ASSISTANCE, TO THE EXTENT ALLOWED PURSUANT TO  
7 SECTION 25.5-1-123, C.R.S.

8 (6) "ELIGIBLE CHILD" MEANS AN INFANT OR TODDLER, FROM BIRTH  
9 UP TO THE CHILD'S THIRD BIRTHDAY, \_\_\_\_\_ WHO, AS DEFINED BY THE  
10 DEPARTMENT IN ACCORDANCE WITH PART C, HAS SIGNIFICANT DELAYS IN  
11 DEVELOPMENT OR HAS A DIAGNOSED PHYSICAL OR MENTAL CONDITION  
12 THAT HAS A HIGH PROBABILITY OF RESULTING IN SIGNIFICANT DELAYS IN  
13 DEVELOPMENT OR WHO IS ELIGIBLE FOR SERVICES PURSUANT TO SECTION  
14 27-10.5-102 (11) (c).

15 (7) "INDIVIDUALIZED FAMILY SERVICE PLAN" OR "IFSP" MEANS A  
16 WRITTEN PLAN DEVELOPED PURSUANT TO 20 U.S.C. SEC. 1436 AND 34  
17 CFR 303.340, AS AMENDED, THAT AUTHORIZES EARLY INTERVENTION  
18 SERVICES TO AN ELIGIBLE CHILD AND THE CHILD'S FAMILY.

19 (8) "PART C" MEANS THE EARLY INTERVENTION PROGRAM FOR  
20 INFANTS AND TODDLERS WHO ARE ELIGIBLE FOR SERVICES UNDER PART C  
21 OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", 20  
22 U.S.C. SEC. 1400 ET SEQ., AS AMENDED.

23 (9) "PRIVATE HEALTH INSURANCE" MEANS A HEALTH COVERAGE  
24 PLAN, AS DEFINED IN SECTION 10-16-102 (22.5), C.R.S., THAT IS  
25 PURCHASED BY INDIVIDUALS OR GROUPS TO PROVIDE, DELIVER, ARRANGE  
26 FOR, PAY FOR, OR REIMBURSE ANY OF THE COSTS OF HEALTH CARE  
27 SERVICES, AS DEFINED IN SECTION 10-16-102 (22), C.R.S., PROVIDED TO

1 A PERSON ENTITLED TO RECEIVE BENEFITS OR SERVICES UNDER THE  
2 HEALTH COVERAGE PLAN.

3 (10) "PUBLIC MEDICAL ASSISTANCE" MEANS MEDICAL SERVICES  
4 THAT ARE PROVIDED BY THE STATE THROUGH THE "COLORADO MEDICAL  
5 ASSISTANCE ACT", ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S., OR THE  
6 "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S.,  
7 OR OTHER PUBLIC MEDICAL ASSISTANCE FUNDING SOURCES TO QUALIFYING  
8 INDIVIDUALS.

9 (11) "QUALIFIED EARLY INTERVENTION SERVICE PROVIDER" OR  
10 "QUALIFIED PROVIDER" MEANS A PERSON OR AGENCY, AS DEFINED BY THE  
11 DEPARTMENT IN ACCORDANCE WITH PART C, WHO PROVIDES EARLY  
12 INTERVENTION SERVICES AND IS LISTED ON THE REGISTRY OF EARLY  
13 INTERVENTION SERVICE PROVIDERS PURSUANT TO SECTION 27-10.5-705  
14 (1)(a).

15 (12) "STATE PLAN" MEANS THE COLORADO PLAN FOR A  
16 COMPREHENSIVE AND COORDINATED SYSTEM OF EARLY INTERVENTION  
17 SERVICES REQUIRED PURSUANT TO PART C.

18 **27-10.5-703. Coordinated system of payment for early**  
19 **intervention services - duties of departments \_\_\_ - rules.** (1) IN ORDER  
20 TO IMPLEMENT THE PROVISIONS OF THIS PART 7, THE DEPARTMENT, AS  
21 LEAD AGENCY FOR PART C, SHALL BE RESPONSIBLE FOR THE FOLLOWING,  
22 SUBJECT TO AVAILABLE APPROPRIATIONS:

23 (a) ESTABLISHING A STATE PLAN FOR A STATEWIDE,  
24 COMPREHENSIVE SYSTEM OF EARLY INTERVENTION SERVICES IN  
25 ACCORDANCE WITH PART C;

26 (b) ESTABLISHING AN INTERAGENCY OPERATING AGREEMENT  
27 BETWEEN THE DEPARTMENT AND THE DEPARTMENTS OF EDUCATION,

1 HEALTH CARE POLICY AND FINANCING, AND PUBLIC HEALTH AND  
2 ENVIRONMENT REGARDING THE RESPONSIBILITIES OF EACH DEPARTMENT  
3 TO ASSIST IN THE DEVELOPMENT AND IMPLEMENTATION OF A STATEWIDE,  
4 COMPREHENSIVE SYSTEM OF EARLY INTERVENTION SERVICES AND A  
5 COORDINATED SYSTEM OF PAYMENTS FOR EARLY INTERVENTION SERVICES;

6 (c) DEVELOPING, IN COOPERATION WITH THE DEPARTMENTS OF  
7 EDUCATION, HEALTH CARE POLICY AND FINANCING, AND PUBLIC HEALTH  
8 AND ENVIRONMENT, THE DIVISION OF INSURANCE IN THE DEPARTMENT OF  
9 REGULATORY AGENCIES, PRIVATE HEALTH INSURANCE CARRIERS, AND  
10 CERTIFIED EARLY INTERVENTION SERVICE BROKERS, A COORDINATED  
11 SYSTEM OF PAYMENT OF EARLY INTERVENTION SERVICES USING PUBLIC  
12 AND PRIVATE FUNDS;

13 (d) CERTIFYING COMMUNITY CENTERED BOARDS OR OTHER  
14 ENTITIES AS DETERMINED BY THE DEPARTMENT AS EARLY INTERVENTION  
15 SERVICE BROKERS FOR EARLY INTERVENTION SERVICES PROVIDED  
16 PURSUANT TO THIS PART 7;

17 \_\_\_\_\_  
18 (e) ENSURING AN APPROPRIATE ALLOCATION OF PAYMENT  
19 RESPONSIBILITIES FOR EARLY INTERVENTION SERVICES AMONG FEDERAL,  
20 STATE, LOCAL, AND PRIVATE SOURCES, INCLUDING PUBLIC MEDICAL  
21 ASSISTANCE AND PRIVATE INSURANCE COVERAGE.

22 (2) ANY ADDITIONAL SOURCE OF FUNDS THAT MAY BECOME  
23 AVAILABLE FOR THE PAYMENT OF EARLY INTERVENTION SERVICES ON OR  
24 AFTER JULY 1, 2007, AS A RESULT OF THE DEVELOPMENT AND  
25 IMPLEMENTATION OF A STATEWIDE, COMPREHENSIVE SYSTEM OF EARLY  
26 INTERVENTION SERVICES AND A COORDINATED SYSTEM OF PAYMENTS FOR  
27 EARLY INTERVENTION SERVICES SHALL NOT REPLACE OR REDUCE ANY

1 OTHER FEDERAL OR STATE FUNDS AVAILABLE FOR THE PAYMENT OF EARLY  
2 INTERVENTION SERVICES ON OR BEFORE JULY 1, 2007.

3 (3) NOTHING IN THIS PART 7 SHALL BE CONSTRUED TO INHIBIT,  
4 ENCUMBER, OR CONTROL THE USE OF LOCAL FUNDS, INCLUDING COUNTY  
5 GRANTS, REVENUES FROM LOCAL MILL LEVIES, AND PRIVATE GRANTS AND  
6 CONTRIBUTIONS, THAT A COMMUNITY CENTERED BOARD OR COUNTY  
7 GOVERNMENT MAY ELECT TO ALLOCATE FOR THE BENEFIT OF ELIGIBLE  
8 CHILDREN.

9 (4) IN DEVELOPING A COORDINATED SYSTEM OF PAYMENT, THE  
10 DEPARTMENT SHALL NOT DIRECTLY OR INDIRECTLY CREATE A NEW  
11 ENTITLEMENT FOR EARLY INTERVENTION SERVICES FUNDED FROM THE  
12 GENERAL FUND. HOWEVER, THIS SUBSECTION (4) SHALL NOT PROHIBIT  
13 ANY ADJUSTMENTS TO PUBLIC MEDICAL ASSISTANCE REQUIRED BY  
14 SECTION 25.5-1-123, C.R.S.

15 **27-10.5-704. Cooperation among state agencies \_\_\_\_\_ -**  
16 **implementing coordinated payment system - revisions to rules.**

17 (1) THE DEPARTMENTS OF EDUCATION, HEALTH CARE POLICY AND  
18 FINANCING, AND PUBLIC HEALTH AND ENVIRONMENT SHALL COOPERATE  
19 WITH THE DEPARTMENT TO IMPLEMENT THE PROVISIONS OF THIS PART 7  
20 AND SHALL:

21 (a) ASSIGN A REPRESENTATIVE \_\_\_ IN ACCORDANCE WITH PART C  
22 TO ADVISE AND ASSIST THE DEPARTMENT IN THE DEVELOPMENT AND  
23 IMPLEMENTATION OF THE EARLY INTERVENTION SYSTEM;

24 (b) PARTICIPATE IN THE ONGOING REVIEW OF FUNDING PRACTICES  
25 FOR EARLY INTERVENTION SERVICES AND DEVELOP OR REVISE  
26 PROCEDURES \_\_\_ FOR A COORDINATED SYSTEM OF PAYMENT FOR EARLY  
27 INTERVENTION SERVICES;

1 (c) USE UNIFORM FORMS AND PROCEDURES FOR BILLING THE  
2 COSTS OF EARLY INTERVENTION SERVICES TO PUBLIC MEDICAL  
3 ASSISTANCE, AS SPECIFIED IN THE "COLORADO MEDICAL ASSISTANCE  
4 ACT", ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S., OR THE "CHILDREN'S BASIC  
5 HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., AS APPROPRIATE,  
6 AND PRIVATE HEALTH INSURANCE, AS SPECIFIED IN PART 1 OF ARTICLE 16  
7 OF TITLE 10, C.R.S.

8 (d) COORDINATE REVISIONS TO EXISTING RULES \_\_\_\_ THAT ARE  
9 NECESSARY TO IMPLEMENT THIS PART 7; AND

10 (e) PERFORM OTHER TASKS AND FUNCTIONS NECESSARY FOR THE  
11 IMPLEMENTATION OF THIS PART 7.

12 (2) THE DIVISION OF INSURANCE IN THE DEPARTMENT OF  
13 REGULATORY AGENCIES SHALL PROVIDE ASSISTANCE TO THE DEPARTMENT  
14 RELATED TO THE REQUIREMENTS AND IMPLEMENTATION OF SECTION  
15 10-16-104 (1.3), C.R.S., AND INSURANCE LAWS AND RULES RELATED TO  
16 BILLING AND CLAIMS HANDLING.

17 \_\_\_\_\_  
18 **27-10.5-705. Certified early intervention service brokers -**  
19 **duties - payment for early intervention services - fees.** (1) FOR EACH  
20 DESIGNATED SERVICE AREA IN THE STATE, THE CERTIFIED EARLY  
21 INTERVENTION SERVICE BROKER FOR THE AREA SHALL:

22 (a) ESTABLISH A REGISTRY OF QUALIFIED EARLY INTERVENTION  
23 SERVICE PROVIDERS TO PROVIDE EARLY INTERVENTION SERVICES TO  
24 ELIGIBLE CHILDREN IN THE DESIGNATED SERVICE AREA. THE CERTIFIED  
25 EARLY INTERVENTION SERVICE BROKER FOR A DESIGNATED SERVICE AREA  
26 MAY PROVIDE EARLY INTERVENTION SERVICES DIRECTLY OR MAY  
27 SUBCONTRACT THE PROVISION OF SERVICES TO OTHER QUALIFIED

1 PROVIDERS ON THE REGISTRY.

2 (b) ACCEPT AND PROCESS CLAIMS FOR REIMBURSEMENT FOR  
3 EARLY INTERVENTION SERVICES PROVIDED UNDER THIS PART 7 BY  
4 QUALIFIED PROVIDERS;

5 (c) NEGOTIATE  FOR THE PAYMENT OF EARLY INTERVENTION  
6 SERVICES PROVIDED TO ELIGIBLE CHILDREN IN THE DESIGNATED SERVICE  
7 AREA BY QUALIFIED PROVIDERS, TO THE EXTENT PERMISSIBLE UNDER  
8 FEDERAL LAW;

9 (d) ENSURE PAYMENT AT THE  TO A QUALIFIED PROVIDER FOR  
10 EARLY INTERVENTION SERVICES RENDERED BY THE QUALIFIED PROVIDER.

11 (2) CERTIFIED EARLY INTERVENTION SERVICE BROKERS SHALL USE  
12 PROCEDURES AND FORMS DETERMINED BY THE DEPARTMENT TO  
13 DOCUMENT THE PROVISION OR PURCHASE OF EARLY INTERVENTION  
14 SERVICES ON BEHALF OF ELIGIBLE CHILDREN. INVOICES OR INSURANCE  
15 CLAIMS FOR EARLY INTERVENTION SERVICES SHALL BE SUBMITTED BASED  
16 ON THE AVAILABLE FUNDING SOURCE FOR EACH ELIGIBLE CHILD AND THE  
17 REIMBURSEMENT RATE FOR THE APPROPRIATE FEDERAL, STATE, LOCAL,  
18 OR PRIVATE FUNDING SOURCES, INCLUDING PUBLIC MEDICAL ASSISTANCE  
19 AND PRIVATE HEALTH INSURANCE.

20 (3) THE DEPARTMENT SHALL ESTABLISH A SCHEDULE OF FEES TO  
21 BE CHARGED BY CERTIFIED EARLY INTERVENTION SERVICE BROKERS FOR  
22 PROVIDING BROKER SERVICES UNDER THIS PART 7. IN DEVELOPING THE  
23 FEE SCHEDULE, THE DEPARTMENT SHALL OBTAIN INPUT FROM CERTIFIED  
24 EARLY INTERVENTION SERVICE BROKERS AND SHALL CONSIDER THE  
25 DUTIES OF BROKERS UNDER THIS PART 7, THE EXPENSES INCURRED BY  
26 BROKERS, AND THE RELEVANT MARKET CONDITIONS.

27 (4) USE OF A CERTIFIED EARLY INTERVENTION BROKER IS

1 VOLUNTARY, AND NOTHING IN THIS PART 7 SHALL PROHIBIT A QUALIFIED  
2 PROVIDER OF EARLY INTERVENTION SERVICES FROM DIRECTLY BILLING  
3 THE APPROPRIATE PROGRAM OF PUBLIC MEDICAL ASSISTANCE OR A  
4 PARTICIPATING PROVIDER, AS DEFINED IN SECTION 10-16-102 (28.5),  
5 C.R.S., FROM DIRECTLY BILLING A PRIVATE HEALTH INSURANCE CARRIER  
6 FOR SERVICES RENDERED UNDER THIS PART 7.

7 (5) TO THE EXTENT REQUESTED BY THE DEPARTMENT, CERTIFIED  
8 EARLY INTERVENTION SERVICE BROKERS SHALL PARTICIPATE IN ONGOING  
9 REVIEWS OF FUNDING PRACTICES FOR EARLY INTERVENTION SERVICES AND  
10 THE DEVELOPMENT OR REVISION OF PROCEDURES FOR A COORDINATED  
11 SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES.

12 **27-10.5-706. Payment from private health insurance for early**  
13 **intervention services - trust fund.** (1) THE DEPARTMENT SHALL  
14 NEGOTIATE WITH PRIVATE HEALTH INSURANCE CARRIERS REGARDING THE  
15 METHOD OF PAYMENT OF BENEFITS FOR EARLY INTERVENTION SERVICES  
16 FOR WHICH COVERAGE IS REQUIRED PURSUANT TO SECTION 10-16-104  
17 (1.3), C.R.S. THE DEPARTMENT MAY ALLOW EACH PRIVATE HEALTH  
18 INSURANCE CARRIER THAT IS SUBJECT TO THE REQUIREMENTS OF SECTION  
19 10-16-104 (1.3), C.R.S., TO PAY BENEFITS TO A CERTIFIED EARLY  
20 INTERVENTION SERVICE BROKER, A QUALIFIED EARLY INTERVENTION  
21 SERVICE PROVIDER, OR TO THE DEPARTMENT IN TRUST FOR PAYMENT TO  
22 A BROKER OR PROVIDER FOR SERVICES PROVIDED TO AN ELIGIBLE CHILD.

23 (2) (a) IF A PRIVATE HEALTH INSURANCE CARRIER NEGOTIATES TO  
24 MAKE PAYMENTS OF BENEFITS FOR AN ELIGIBLE CHILD TO THE  
25 DEPARTMENT IN TRUST, THOSE MONEYS SHALL BE DEPOSITED IN THE  
26 EARLY INTERVENTION SERVICES TRUST FUND, WHICH TRUST FUND IS  
27 HEREBY CREATED IN THE STATE TREASURY. EXCEPT AS PROVIDED IN

1 PARAGRAPH (b) OF THIS SUBSECTION (2), THE PRINCIPAL OF THE TRUST  
2 FUND SHALL ONLY BE USED TO PAY CERTIFIED EARLY INTERVENTION  
3 SERVICE BROKERS OR QUALIFIED EARLY INTERVENTION SERVICE  
4 PROVIDERS FOR EARLY INTERVENTION SERVICES PROVIDED TO THE  
5 ELIGIBLE CHILD FOR WHOM THE MONEYS WERE PAID TO THE DEPARTMENT  
6 IN TRUST BY THE PRIVATE HEALTH INSURANCE CARRIER. EXCEPT AS  
7 PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (2), THE PRINCIPAL OF  
8 THE TRUST FUND SHALL NOT CONSTITUTE STATE FISCAL YEAR SPENDING  
9 FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,  
10 AND SUCH MONEYS SHALL BE DEEMED CUSTODIAL FUNDS THAT ARE NOT  
11 SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY.

12 (b) (I) FOR THE 2007-08 FISCAL YEAR AND EACH FISCAL YEAR  
13 THEREAFTER, THE GENERAL ASSEMBLY SHALL MAKE APPROPRIATIONS  
14 FROM THE PRINCIPAL OF THE EARLY INTERVENTION SERVICES TRUST FUND  
15 FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THIS SECTION.  
16 ANY MONEYS APPROPRIATED TO THE DEPARTMENT PURSUANT TO THIS  
17 PARAGRAPH (b) SHALL CONSTITUTE STATE FISCAL YEAR SPENDING FOR  
18 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

19 (II) ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT  
20 OF MONEYS IN THE EARLY INTERVENTION SERVICES TRUST FUND SHALL BE  
21 CREDITED TO THE TRUST FUND, MAY BE APPROPRIATED TO THE  
22 DEPARTMENT IN ACCORDANCE WITH THIS PARAGRAPH (b), AND SHALL  
23 CONSTITUTE STATE FISCAL YEAR SPENDING FOR PURPOSES OF SECTION 20  
24 OF ARTICLE X OF THE STATE CONSTITUTION.

25 (c) WITHIN SIXTY DAYS AFTER THE DEPARTMENT DETERMINES  
26 THAT A CHILD IS NO LONGER AN ELIGIBLE CHILD FOR PURPOSES OF SECTION  
27 10-16-104 (1.3), C.R.S., THE DEPARTMENT SHALL NOTIFY THE CARRIER

1 THAT THE CHILD IS NO LONGER ELIGIBLE AND THAT THE CARRIER IS NO  
2 LONGER REQUIRED TO PROVIDE THE COVERAGE REQUIRED BY SAID  
3 SECTION FOR THAT CHILD. ANY MONEYS DEPOSITED IN THE TRUST FUND  
4 ON BEHALF OF AN ELIGIBLE CHILD THAT ARE NOT EXPENDED ON BEHALF OF  
5 THE CHILD BEFORE THE CHILD BECOMES INELIGIBLE SHALL BE RETURNED  
6 TO THE CARRIER THAT MADE THE PAYMENTS IN TRUST FOR THE CHILD.

7 (3) NO LATER THAN MARCH 1, 2009, AND NO LATER THAN MARCH  
8 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL PROVIDE A  
9 REPORT TO EACH PRIVATE HEALTH INSURANCE CARRIER THAT HAS MADE  
10 PAYMENTS OF BENEFITS FOR AN ELIGIBLE CHILD TO THE DEPARTMENT IN  
11 TRUST. THE REPORT SHALL SPECIFY THE TOTAL AMOUNT OF BENEFITS PAID  
12 TO BROKERS OR QUALIFIED PROVIDERS FOR SERVICES PROVIDED TO THE  
13 ELIGIBLE CHILD DURING THE PRIOR CALENDAR YEAR, INCLUDING THE  
14 AMOUNT PAID TO EACH BROKER OR QUALIFIED PROVIDER AND THE  
15 SERVICES PROVIDED TO THE ELIGIBLE CHILD. THE REPORT REQUIRED BY  
16 THIS SUBSECTION (3) SHALL BE PROVIDED AT LEAST ANNUALLY AND MORE  
17 OFTEN, AS DETERMINED BY THE DEPARTMENT AND THE CARRIER.

18 **27-10.5-707. Annual report - cooperation from certified early**  
19 **intervention service brokers and qualified providers.** (1) BY  
20 NOVEMBER 1, 2008, AND BY EACH NOVEMBER 1 THEREAFTER, THE  
21 DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL  
22 ASSEMBLY REGARDING THE VARIOUS FUNDING SOURCES USED FOR EARLY  
23 INTERVENTION SERVICES, THE NUMBER OF ELIGIBLE CHILDREN SERVED,  
24 THE AVERAGE COST OF EARLY INTERVENTION SERVICES, AND ANY OTHER  
25 INFORMATION THE DEPARTMENT DEEMS APPROPRIATE. THE REPORT SHALL  
26 BE SUBMITTED TO THE JOINT BUDGET COMMITTEE AS PART OF THE  
27 DEPARTMENT'S ANNUAL BUDGET REQUEST. THE DEPARTMENT SHALL ALSO

1 SUBMIT THE REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEES  
2 AND THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF  
3 REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, AND TO THE EARLY  
4 CHILDHOOD AND SCHOOL READINESS COMMISSION CREATED IN PART 3 OF  
5 ARTICLE 6 OF TITLE 26, C.R.S., OR ITS SUCCESSOR COMMISSION.

6 (2) THE DEPARTMENT SHALL REQUEST, AND CERTIFIED EARLY  
7 INTERVENTION SERVICE BROKERS AND QUALIFIED EARLY INTERVENTION  
8 SERVICE PROVIDERS SHALL PROVIDE, INFORMATION REGARDING EARLY  
9 INTERVENTION SERVICES THAT IS NECESSARY FOR THE DEPARTMENT TO  
10 PREPARE THE ANNUAL REPORT REQUIRED BY THIS SECTION OR OTHER  
11 FEDERAL OR STATE REPORTS AS MAY BE REQUIRED.

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

15 **25.5-1-123. Early intervention payment system - participation**  
16 **by state department.** (1) THE STATE DEPARTMENT SHALL PARTICIPATE  
17 IN THE DEVELOPMENT AND IMPLEMENTATION OF THE COORDINATED  
18 SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES AUTHORIZED  
19 PURSUANT TO PART 7 OF ARTICLE 10.5 OF TITLE 27, C.R.S., AND PART C  
20 OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", 20  
21 U.S.C. SEC. 1400 ET SEQ., AS AMENDED.

22 (2) THE STATE DEPARTMENT SHALL ENSURE THAT THE EARLY  
23 INTERVENTION SERVICES AND PAYMENTS FOR RECIPIENTS OF MEDICAL  
24 ASSISTANCE UNDER THIS TITLE ARE INTEGRATED INTO THE COORDINATED  
25 EARLY INTERVENTION PAYMENT SYSTEM DEVELOPED PURSUANT TO PART  
26 7 OF ARTICLE 10.5 OF TITLE 27, C.R.S. TO THE EXTENT NECESSARY TO  
27 ACHIEVE THE COORDINATED PAYMENT SYSTEM AND COVERAGE OF THOSE

1 EARLY INTERVENTION SERVICES UNDER THIS TITLE, THE STATE  
2 DEPARTMENT SHALL AMEND THE STATE PLAN FOR MEDICAL ASSISTANCE  
3 OR SEEK THE NECESSARY FEDERAL AUTHORIZATION, PROMULGATE RULES,  
4 AND MODIFY THE BILLING SYSTEM FOR MEDICAL ASSISTANCE TO  
5 FACILITATE THE COORDINATED PAYMENT SYSTEM.

6 (3) THE STATE DEPARTMENT SHALL ALSO MAKE ANY  
7 MODIFICATIONS NECESSARY TO THE "CHILDREN'S BASIC HEALTH PLAN  
8 ACT", ARTICLE 8 OF THIS TITLE, INCLUDING PROMULGATING RULES, TO  
9 ENSURE THAT THE CHILDREN'S BASIC HEALTH PLAN IS INTEGRATED INTO  
10 THE COORDINATED EARLY INTERVENTION PAYMENT SYSTEM DEVELOPED  
11 PURSUANT TO PART 7 OF ARTICLE 10.5 OF TITLE 27, C.R.S.

12 (4) FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY  
13 SHALL APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH  
14 PROGRAM GRANT FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE  
15 OFFICE OF THE EXECUTIVE DIRECTOR IN THE STATE DEPARTMENT FOR THE  
16 ADMINISTRATION OF THIS SECTION THE LESSER OF THIRTY-ONE THOUSAND  
17 TWO HUNDRED FORTY-SIX DOLLARS OR TWO AND TWO-TENTHS PERCENT  
18 OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH  
19 PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION  
20 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT  
21 THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.  
22 FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, THE  
23 GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM  
24 INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION  
25 25-36-101, C.R.S., TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE  
26 STATE DEPARTMENT FOR THE ADMINISTRATION OF THIS SECTION THE  
27 LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED FORTY-THREE

1 DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT  
2 ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT  
3 FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a)  
4 (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR  
5 SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

6 (5) (a) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
7 OTHERWISE REQUIRES, "EARLY INTERVENTION SERVICES" MEANS THOSE  
8 SERVICES DEFINED AS EARLY INTERVENTION SERVICES BY THE  
9 DEPARTMENT OF HUMAN SERVICES IN ACCORDANCE WITH SECTION  
10 27-10.5-702 (5), C.R.S., THAT ARE DETERMINED, THROUGH NEGOTIATION  
11 BETWEEN THE STATE DEPARTMENT AND THE DEPARTMENT OF HUMAN  
12 SERVICES, TO BE MEDICALLY NECESSARY UNDER MEDICAL ASSISTANCE  
13 AND COST-EFFECTIVE. AFTER NEGOTIATING THE SCOPE OF EARLY  
14 INTERVENTION SERVICES TO BE COVERED UNDER MEDICAL ASSISTANCE,  
15 THE STATE DEPARTMENT AND THE DEPARTMENT OF HUMAN SERVICES  
16 SHALL SUBMIT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL  
17 ASSEMBLY, AS PART OF EACH DEPARTMENT'S ANNUAL BUDGET REQUEST,  
18 A PROPOSAL FOR THE SCOPE OF COVERAGE OF EARLY INTERVENTION  
19 SERVICES UNDER MEDICAL ASSISTANCE, INCLUDING THE ANTICIPATED  
20 COSTS OF SUCH COVERAGE AND WHETHER THE PAYMENT OF SUCH COSTS  
21 THROUGH MEDICAL ASSISTANCE IS COST-EFFECTIVE.

22 (b) "EARLY INTERVENTION SERVICES" SHALL NOT INCLUDE THE  
23 FOLLOWING:

- 24 (I) NONEMERGENCY MEDICAL TRANSPORTATION;
- 25 (II) RESPIRE CARE;
- 26 (III) SERVICE COORDINATION, AS DEFINED IN 34 CFR 303.12 (d)  
27 (11); AND

1 (IV) (A) ASSISTIVE TECHNOLOGY.

2 (B) THE EXCLUSION OF ASSISTIVE TECHNOLOGY SHALL NOT APPLY  
3 TO DURABLE MEDICAL EQUIPMENT THAT IS OTHERWISE COVERED UNDER  
4 THE CHILDREN'S BASIC HEALTH PLAN, AS DEFINED IN SECTION 25.5-8-103  
5 (2).

6 SECTION 3. 10-16-104 (1.7) (a), Colorado Revised Statutes, is  
7 amended, and the said 10-16-104 is further amended BY THE  
8 ADDITION OF A NEW SUBSECTION, to read:

9 **10-16-104. Mandatory coverage provisions - definitions.**

10 (1.3) **Early intervention services.** (a) AS USED IN THIS SUBSECTION  
11 (1.3), UNLESS THE CONTEXT OTHERWISE REQUIRES:

12 (I) "DIVISION" MEANS THE UNIT WITHIN THE DEPARTMENT OF  
13 HUMAN SERVICES THAT IS RESPONSIBLE FOR DEVELOPMENTAL  
14 DISABILITIES SERVICES.

15 \_\_\_\_\_  
16 (II) "EARLY INTERVENTION SERVICES" MEANS SERVICES AS  
17 DEFINED BY THE DIVISION IN ACCORDANCE WITH PART C THAT ARE  
18 AUTHORIZED THROUGH AN ELIGIBLE CHILD'S IFSP, BUT EXCLUDING  
19 NONEMERGENCY MEDICAL TRANSPORTATION; RESPITE CARE; SERVICE  
20 COORDINATION, AS DEFINED IN 34 CFR 303.12 (d) (11); AND ASSISTIVE  
21 TECHNOLOGY, UNLESS ASSISTIVE TECHNOLOGY IS COVERED UNDER THE  
22 APPLICABLE INSURANCE POLICY OR SERVICE OR INDEMNITY CONTRACT AS  
23 DURABLE MEDICAL EQUIPMENT.

24 (III) "ELIGIBLE CHILD" MEANS AN INFANT OR TODDLER, FROM  
25 BIRTH UP TO THE CHILD'S THIRD BIRTHDAY, WHO IS AN ELIGIBLE  
26 DEPENDENT AND WHO, AS DEFINED BY THE DIVISION PURSUANT TO SECTION  
27 27-10.5-702 (6), C.R.S., HAS SIGNIFICANT DELAYS IN DEVELOPMENT OR

1 HAS A DIAGNOSED PHYSICAL OR MENTAL CONDITION THAT HAS A HIGH  
2 PROBABILITY OF RESULTING IN SIGNIFICANT DELAYS IN DEVELOPMENT OR  
3 WHO IS ELIGIBLE FOR SERVICES PURSUANT TO SECTION 27-10.5-102 (11)  
4 (c).

5 (IV) "INDIVIDUALIZED FAMILY SERVICE PLAN" OR "IFSP" MEANS  
6 A WRITTEN PLAN DEVELOPED PURSUANT TO 20 U.S.C. SEC. 1436 AND 34  
7 CFR 303.340, AS AMENDED, THAT AUTHORIZES EARLY INTERVENTION  
8 SERVICES TO AN ELIGIBLE CHILD AND THE CHILD'S FAMILY.

9 (V) "PART C" MEANS THE EARLY INTERVENTION PROGRAM FOR  
10 INFANTS AND TODDLERS WHO ARE ELIGIBLE FOR SERVICES UNDER PART C  
11 OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", 20  
12 U.S.C. SEC. 1400 ET SEQ., AS AMENDED.

13 (VI) "QUALIFIED EARLY INTERVENTION SERVICE PROVIDER" OR  
14 "QUALIFIED PROVIDER" MEANS A PERSON OR AGENCY, AS DEFINED BY THE  
15 DIVISION IN ACCORDANCE WITH PART C, WHO PROVIDES EARLY  
16 INTERVENTION SERVICES AND IS LISTED ON THE REGISTRY OF EARLY  
17 INTERVENTION SERVICE PROVIDERS PURSUANT TO SECTION 27-10.5-705 (1)  
18 (a), C.R.S.

19 (b) (I) ALL INDIVIDUAL AND GROUP SICKNESS AND ACCIDENT  
20 INSURANCE POLICIES ISSUED BY AN ENTITY SUBJECT TO PART 2 OF THIS  
21 ARTICLE ON OR AFTER JANUARY 1, 2008, AND ALL SERVICE OR INDEMNITY  
22 CONTRACTS ISSUED BY AN ENTITY SUBJECT TO PART 3 OR 4 OF THIS  
23 ARTICLE ON OR AFTER JANUARY 1, 2008, THAT INCLUDE DEPENDENT  
24 COVERAGE SHALL PROVIDE COVERAGE FOR EARLY \_\_\_\_\_ INTERVENTION  
25 SERVICES DELIVERED BY A QUALIFIED EARLY INTERVENTION SERVICE  
26 PROVIDER TO AN ELIGIBLE CHILD. EARLY INTERVENTION SERVICES  
27 SPECIFIED IN AN ELIGIBLE CHILD'S IFSP SHALL QUALIFY AS MEETING THE

1 STANDARD FOR MEDICALLY NECESSARY HEALTH CARE SERVICES AS USED  
2 BY PRIVATE HEALTH INSURANCE PLANS.

3 (II) THE COVERAGE REQUIRED BY THIS SUBSECTION (1.3) SHALL BE  
4 AVAILABLE ANNUALLY TO AN ELIGIBLE CHILD FROM BIRTH UP TO THE  
5 CHILD'S THIRD BIRTHDAY AND, FOR THE CALENDAR OR POLICY YEAR  
6 BEGINNING JANUARY 1, 2008, SHALL BE LIMITED TO FIVE THOUSAND SEVEN  
7 HUNDRED TWENTY-FIVE DOLLARS, \_\_\_\_\_ INCLUDING CASE MANAGEMENT  
8 COSTS, FOR EARLY INTERVENTION SERVICES FOR EACH DEPENDENT CHILD  
9 PER CALENDAR OR POLICY YEAR. FOR THE CALENDAR OR POLICY YEAR  
10 BEGINNING JANUARY 1, 2009, AND FOR EACH CALENDAR OR POLICY YEAR  
11 THEREAFTER, THE LIMIT SHALL BE ADJUSTED BY THE DIVISION BASED ON  
12 THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER-GREELEY  
13 METROPOLITAN STATISTICAL AREA FOR THE STATE FISCAL YEAR THAT ENDS  
14 IN THE PRECEDING CALENDAR YEAR. \_\_\_\_\_

15 (III) EXCEPT AS PROVIDED IN PARAGRAPH (d) OF THIS SUBSECTION  
16 (1.3), THE COVERAGE SHALL NOT BE SUBJECT TO DEDUCTIBLES OR  
17 COPAYMENTS, AND ANY BENEFITS PAID UNDER THE COVERAGE REQUIRED  
18 BY THIS SUBSECTION (1.3) SHALL NOT BE APPLIED TO AN ANNUAL OR  
19 LIFETIME MAXIMUM BENEFIT CONTAINED IN THE POLICY OR CONTRACT.  
20 UNLESS THE CARRIER AGREES PRIOR TO THE PROVISION OF EARLY  
21 INTERVENTION SERVICES, A CARRIER SHALL NOT BE REQUIRED TO PAY A  
22 REIMBURSEMENT RATE FOR EARLY INTERVENTION SERVICES PROVIDED BY  
23 A NONPARTICIPATING PROVIDER THAT EXCEEDS THE REIMBURSEMENT RATE  
24 ALLOWED FOR COMPARABLE EARLY INTERVENTION SERVICES PROVIDED BY  
25 A PARTICIPATING PROVIDER.

26 (IV) THE LIMIT ON THE AMOUNT OF COVERAGE FOR EARLY  
27 INTERVENTION SERVICES SPECIFIED IN SUBPARAGRAPH (II) OF THIS

1 PARAGRAPH (b) SHALL NOT APPLY TO:

2 (A) REHABILITATION OR THERAPEUTIC SERVICES THAT ARE  
3 NECESSARY AS THE RESULT OF AN ACUTE MEDICAL CONDITION.

4 (B) SERVICES PROVIDED TO A CHILD WHO IS NOT PARTICIPATING IN  
5 PART C AND SERVICES THAT ARE NOT PROVIDED PURSUANT TO AN IFSP.  
6 HOWEVER, SUCH SERVICES SHALL BE COVERED AT THE LEVEL SPECIFIED IN  
7 PARAGRAPH (b) OF SUBSECTION (1.7) OF THIS SECTION.

8 (c) THIS SUBSECTION (1.3) SHALL NOT APPLY TO THE FOLLOWING:

9 (I) SHORT-TERM, ACCIDENT, FIXED INDEMNITY, OR SPECIFIED  
10 DISEASE POLICIES, DISABILITY INCOME CONTRACTS, LIMITED BENEFIT  
11 HEALTH INSURANCE, AS DEFINED BY THE COMMISSIONER BY RULE, CREDIT  
12 DISABILITY INSURANCE, OR A MEDICARE SUPPLEMENT POLICY, AS DEFINED  
13 IN SECTION 10-18-101 (4).

14 (II) WORKERS' COMPENSATION OR SIMILAR INSURANCE.

15 (III) AUTOMOBILE MEDICAL PAYMENT INSURANCE OR INSURANCE  
16 UNDER WHICH BENEFITS ARE PAYABLE WITH OR WITHOUT REGARD TO  
17 FAULT AND REQUIRED BY LAW TO BE CONTAINED IN ANY LIABILITY  
18 INSURANCE POLICY OR EQUIVALENT SELF-INSURANCE.

19 (d) (I) THE COVERAGE REQUIRED BY THIS SUBSECTION (1.3) MAY  
20 BE OFFERED THROUGH A HIGH DEDUCTIBLE PLAN THAT WOULD QUALIFY  
21 FOR A HEALTH SAVINGS ACCOUNT PURSUANT TO 26 U.S.C. SEC. 223;  
22 EXCEPT THAT A CARRIER MAY APPLY DEDUCTIBLE AMOUNTS FOR THE  
23 REQUIRED COVERAGE IF IT IS NOT CONSIDERED BY THE UNITED STATES  
24 DEPARTMENT OF TREASURY TO BE PREVENTATIVE OR TO HAVE AN  
25 ACCEPTABLE DEDUCTIBLE AMOUNT.

26 (II) IF A HIGH DEDUCTIBLE PLAN THAT WOULD QUALIFY FOR A  
27 HEALTH SAVINGS ACCOUNT PURSUANT TO 26 U.S.C. SEC. 223 REQUIRES A

1 DEDUCTIBLE OR COPAYMENT AMOUNT FOR THE COVERAGE REQUIRED BY  
2 THIS SUBSECTION (1.3), THE DEDUCTIBLE OR COPAYMENT AMOUNT MAY BE  
3 PAID BY THE STATE AS DETERMINED BY RULES ADOPTED BY THE  
4 COMMISSIONER IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., IN  
5 CONSULTATION WITH THE DIVISION OF INSURANCE.

6 (e) WITHIN SIXTY DAYS AFTER THE DIVISION DETERMINES THAT A  
7 CHILD IS NO LONGER AN ELIGIBLE CHILD FOR PURPOSES OF THIS  
8 SUBSECTION (1.3), THE DIVISION SHALL NOTIFY THE CARRIER THAT THE  
9 CHILD IS NO LONGER ELIGIBLE AND THAT THE CARRIER IS NO LONGER  
10 REQUIRED TO PROVIDE THE COVERAGE REQUIRED BY THIS SUBSECTION  
11 (1.3) FOR THAT CHILD.

12 (1.7) **Therapies for congenital defects and birth abnormalities.**

13 (a) After the first thirty-one days of life, policy limitations and exclusions  
14 that are generally applicable under the policy may apply; except that all  
15 individual and group health benefit plans shall provide medically  
16 necessary physical, occupational, and speech therapy for the care and  
17 treatment of congenital defects and birth abnormalities for covered  
18 ~~children up to five years of age~~ A COVERED CHILD FROM THE CHILD'S THIRD  
19 BIRTHDAY TO THE CHILD'S SIXTH BIRTHDAY.

20 SECTION 4. 10-16-105 (5) (g) (I), Colorado Revised Statutes, is  
21 amended to read:

22 10-16-105. Small group sickness and accident insurance -  
23 guaranteed issue - mandated provisions for basic health benefit plans  
24 - rules - benefit design advisory committee - repeal. (5) Each small  
25 group sickness and accident insurer or other entity shall make reasonable  
26 disclosure in solicitation and sales materials provided to small employers  
27 the following information in a form and manner prescribed by the

1 commissioner and upon request of any such small employer shall provide  
2 such information in detail:

3 (g) (I) That the small employer purchasing any health benefit plan  
4 other than a basic plan pursuant to SUBPARAGRAPH (I), (III), OR (IV) OF  
5 paragraph (b) of subsection (7.2) of this section, must pay for all of the  
6 mandated benefits pursuant to section 10-16-104 and that these mandates  
7 include mandatory, nonwaivable coverages for newborn, maternity,  
8 pregnancy, childbirth, complications from pregnancy and childbirth,  
9 EARLY INTERVENTION SERVICES, therapies for congenital defects and birth  
10 abnormalities, low-dose mammography, mental illness, biologically-based  
11 mental illness, the availability of alcoholism treatment, the availability of  
12 hospice care, prostate cancer screening, child health supervision,  
13 hospitalization and general anesthesia for dental procedures for dependent  
14 children, diabetes, and prosthetic devices.

15 **SECTION 5. 25.5-8-105 (3) (b), Colorado Revised Statutes, as**  
16 **enacted by Senate Bill 07-097, enacted at the First Regular Session of the**  
17 **Sixty-sixth General Assembly, is amended to read:**

18 **25.5-8-105. Trust and supplemental settlement moneys account**  
19 **- created.** (3) (b) Pursuant to section 24-75-1104.5 (1.5) (a) (V), C.R.S.,  
20 beginning in the 2007-08 fiscal year and each fiscal year thereafter so long  
21 as the state receives moneys pursuant to the master settlement agreement,  
22 the state treasurer shall transfer to the supplemental tobacco litigation  
23 settlement moneys account of the trust five percent of the portion of the  
24 moneys annually received by the state pursuant to the master settlement  
25 agreement, not including attorney fees and costs, during the preceding  
26 fiscal year that remains after the programs, services, and funds that receive  
27 such moneys pursuant to section 24-75-1104.5 (1), C.R.S., have been fully

1 funded. FOR THE 2007-08 FISCAL YEAR, THE STATE TREASURER SHALL  
2 TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT  
3 FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE ACCOUNT THE  
4 LESSER OF EIGHTY-TWO THOUSAND FIFTY-NINE DOLLARS OR FIVE AND  
5 NINE-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM  
6 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR  
7 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY  
8 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH  
9 GENERAL ASSEMBLY. FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL  
10 YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE  
11 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN  
12 SECTION 25-36-101, C.R.S., TO THE ACCOUNT THE LESSER OF ONE  
13 HUNDRED THIRTEEN THOUSAND EIGHT HUNDRED SEVENTY-THREE DOLLARS  
14 OR FIVE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE  
15 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL  
16 YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED  
17 BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE  
18 SIXTY-SIXTH GENERAL ASSEMBLY.

19 **SECTION 6.** 25-36-101, Colorado Revised Statutes, as enacted  
20 by Senate Bill 07-097, enacted at the First Regular Session of the  
21 Sixty-sixth General Assembly, is amended BY THE ADDITION OF THE  
22 FOLLOWING NEW SUBSECTIONS to read:

23 **25-36-101. Short-term grants for innovative health programs**  
24 **- grant fund - creation.** (3) NOTWITHSTANDING ANY OTHER PROVISION  
25 OF THIS SECTION, FOR THE 2007-08 FISCAL YEAR, THE STATE TREASURER  
26 SHALL TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM  
27 GRANT FUND TO THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT

1 MONEYS ACCOUNT OF THE CHILDREN'S BASIC HEALTH PLAN TRUST  
2 CREATED IN SECTION 25.5-8-105, C.R.S., FOR THE PURPOSES OF THE  
3 "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S.,  
4 THE LESSER OF EIGHTY-TWO THOUSAND FIFTY-NINE DOLLARS OR FIVE AND  
5 NINE-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM  
6 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR  
7 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY  
8 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH  
9 GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
10 SECTION, FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL YEAR  
11 THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE  
12 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE  
13 SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF  
14 THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION  
15 25.5-8-105, C.R.S., FOR THE PURPOSES OF THE "CHILDREN'S BASIC  
16 HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., THE LESSER OF ONE  
17 HUNDRED THIRTEEN THOUSAND EIGHT HUNDRED SEVENTY-THREE DOLLARS  
18 OR FIVE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE  
19 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL  
20 YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED  
21 BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE  
22 SIXTY-SIXTH GENERAL ASSEMBLY.

23 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
24 FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL  
25 APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM  
26 GRANT FUND TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE  
27 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE

1 ADMINISTRATION OF SECTION 25.5-1-123, C.R.S., THE LESSER OF  
2 THIRTY-ONE THOUSAND TWO HUNDRED FORTY-SIX DOLLARS OR TWO AND  
3 TWO-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM  
4 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR  
5 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY  
6 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH  
7 GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
8 SECTION, FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL YEAR  
9 THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE  
10 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE OFFICE  
11 OF THE EXECUTIVE DIRECTOR IN THE DEPARTMENT OF HEALTH CARE  
12 POLICY AND FINANCING FOR THE ADMINISTRATION OF SECTION 25.5-1-123,  
13 C.R.S., THE LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED  
14 FORTY-THREE DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE  
15 AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM  
16 GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5  
17 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST  
18 REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

19 **SECTION 7. Appropriation.** (1) In addition to any other  
20 appropriation, there is hereby appropriated, out of any moneys in the  
21 short-term innovative health program grant fund created pursuant to  
22 section 24-75-1104.5 (1.5) (a) (IX), Colorado Revised Statutes, enacted  
23 by Senate Bill 07-097 at the first regular session of the sixty-sixth general  
24 assembly, not otherwise appropriated, to the department of health care  
25 policy and financing, executive director's office, the sum of thirty-one  
26 thousand two hundred forty-six dollars (\$31,246) and 1.0 FTE, or so much  
27 thereof as may be necessary, for implementation of this act. In addition to

1 said appropriation, the general assembly anticipates that, for the fiscal year  
2 beginning July 1, 2007, the department of health care policy and financing  
3 will receive the sum of thirty-one thousand two hundred forty-six dollars  
4 (\$31,246) in federal funds for the implementation of this act. Although the  
5 federal funds are not appropriated in this act, they are noted for the  
6 purpose of indicating the assumptions used relative to these funds in  
7 developing state appropriation amounts.

8 (2) In addition to any other appropriation, there is hereby  
9 appropriated, to the department of health care policy and financing,  
10 indigent care program, for children's basic health plan premium costs, for  
11 the fiscal year beginning July 1, 2007, the sum of two hundred thirty-four  
12 thousand four hundred fifty-six dollars (\$234,456), or so much thereof as  
13 may be necessary, for the implementation of this act. Of said sum,  
14 eighty-two thousand fifty-nine dollars (\$82,059) shall be cash funds  
15 exempt from the supplemental tobacco litigation settlement account in the  
16 children's basic health plan trust, created pursuant to section 25.5-8-105  
17 (1), Colorado Revised Statutes, enacted by Senate Bill 07-097 at the first  
18 regular session of the sixty-sixth general assembly, and one hundred  
19 fifty-two thousand three hundred ninety-seven dollars (\$152,397) shall be  
20 from federal funds.

21 (3) In addition to any other appropriation, there is hereby  
22 appropriated, out of any moneys in the early intervention services trust  
23 fund, created pursuant to section 27-10.5-706 (2) (a), Colorado Revised  
24 Statutes, to the department of human services, services for people with  
25 disabilities, developmental disability services, for community services, the  
26 sum of fifty-three thousand five hundred sixty-eight dollars (\$53,568) cash  
27 funds and 1.0 FTE, or so much thereof as may be necessary, for

1 implementation of this act. In addition to said appropriation, the general  
2 assembly anticipates that, for the fiscal year beginning July 1, 2007, the  
3 department of human services will receive the sum of two million eight  
4 hundred eight thousand nine hundred thirty-two dollars (\$2,808,932) cash  
5 funds exempt custodial funds, for early intervention services, from the  
6 early intervention services trust fund created pursuant to section  
7 27-10.5-706 (2) (a), Colorado Revised Statutes. Although the cash funds  
8 exempt custodial funds are not appropriated in this act, they are noted for  
9 the purpose of indicating the assumptions used relative to these funds in  
10 developing state appropriation amounts.

11 (4) In addition to any other appropriation, there is hereby  
12 appropriated, out of any moneys in the division of insurance cash fund,  
13 created in section 10-1-103 (3), Colorado Revised Statutes, not otherwise  
14 appropriated, to the department of regulatory agencies, division of  
15 insurance, for the fiscal year beginning July 1, 2007, the sum of six  
16 thousand one hundred eighty-eight dollars (\$6,188), or so much thereof as  
17 may be necessary, for the implementation of this act.

18 **SECTION 8. Effective date - applicability.** (1) Except as  
19 provided in subsection (2) of this section, this act shall take effect July 1,  
20 2007.

21 (2) Sections 3 and 4 of this act shall take effect January 1, 2008,  
22 and shall apply to health insurance policies and health care service or  
23 indemnity contracts delivered or issued on or after said date.

24 **SECTION 9. Safety clause.** The general assembly hereby finds,  
25 determines, and declares that this act is necessary for the immediate  
26 preservation of the public peace, health, and safety.