

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

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**

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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 PUBLIC MEDICAL ASSISTANCE AND PRIVATE HEALTH  
6 INSURANCE.

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

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

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

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

1 HEALTH COVERAGE PLAN.

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

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

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

17 **27-10.5-703. Coordinated system of payment for early**  
18 **intervention services - duties of departments \_\_\_ - rules.** (1) IN ORDER  
19 TO IMPLEMENT THE PROVISIONS OF THIS PART 7, THE DEPARTMENT, AS  
20 LEAD AGENCY FOR PART C, SHALL BE RESPONSIBLE FOR THE FOLLOWING,  
21 SUBJECT TO AVAILABLE APPROPRIATIONS:

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

25 (b) ESTABLISHING AN INTERAGENCY OPERATING AGREEMENT  
26 BETWEEN THE DEPARTMENT AND THE DEPARTMENTS OF EDUCATION,  
27 HEALTH CARE POLICY AND FINANCING, AND PUBLIC HEALTH AND

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

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

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

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

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

1 INTERVENTION SERVICES ON OR BEFORE JULY 1, 2007.

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

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

14 **27-10.5-704. Cooperation among state agencies \_\_\_\_\_ -**  
15 **implementing coordinated payment system - revisions to rules.**

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

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

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

27 (c) USE UNIFORM FORMS AND PROCEDURES FOR BILLING THE

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

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

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

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

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

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

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

4           (c) NEGOTIATE RATES FOR THE PAYMENT OF EARLY INTERVENTION  
5 SERVICES PROVIDED TO ELIGIBLE CHILDREN IN THE DESIGNATED SERVICE  
6 AREA BY QUALIFIED PROVIDERS;

7           (d) ENSURE PAYMENT AT THE NEGOTIATED RATE TO A QUALIFIED  
8 PROVIDER FOR EARLY INTERVENTION SERVICES RENDERED BY THE  
9 QUALIFIED PROVIDER.

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

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

26          (4) USE OF A CERTIFIED EARLY INTERVENTION BROKER IS  
27 VOLUNTARY, AND NOTHING IN THIS PART 7 SHALL PROHIBIT A QUALIFIED

1 PROVIDER OF EARLY INTERVENTION SERVICES FROM DIRECTLY BILLING  
2 THE APPROPRIATE PROGRAM OF PUBLIC MEDICAL ASSISTANCE OR A  
3 PARTICIPATING PROVIDER, AS DEFINED IN SECTION 10-16-102 (28.5),  
4 C.R.S., FROM DIRECTLY BILLING A PRIVATE HEALTH INSURANCE CARRIER  
5 FOR SERVICES RENDERED UNDER THIS PART 7.

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

11 **27-10.5-706. Payment from private health insurance for early**  
12 **intervention services - trust fund.** (1) THE DEPARTMENT SHALL  
13 NEGOTIATE WITH PRIVATE HEALTH INSURANCE CARRIERS REGARDING THE  
14 METHOD OF PAYMENT OF BENEFITS FOR EARLY INTERVENTION SERVICES  
15 FOR WHICH COVERAGE IS REQUIRED PURSUANT TO SECTION 10-16-104  
16 (1.3), C.R.S. THE DEPARTMENT MAY ALLOW EACH PRIVATE HEALTH  
17 INSURANCE CARRIER THAT IS SUBJECT TO THE REQUIREMENTS OF SECTION  
18 10-16-104 (1.3), C.R.S., TO PAY BENEFITS TO A CERTIFIED EARLY  
19 INTERVENTION SERVICE BROKER, A QUALIFIED EARLY INTERVENTION  
20 SERVICE PROVIDER, OR TO THE DEPARTMENT IN TRUST FOR PAYMENT TO  
21 A BROKER OR PROVIDER FOR SERVICES PROVIDED TO AN ELIGIBLE CHILD.

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

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

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

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

24 **27-10.5-707. Annual report - cooperation from certified early**  
25 **intervention service brokers and qualified providers.** (1) BY  
26 NOVEMBER 1, 2008, AND BY EACH NOVEMBER 1 THEREAFTER, THE  
27 DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL

1 ASSEMBLY REGARDING THE VARIOUS FUNDING SOURCES USED FOR EARLY  
2 INTERVENTION SERVICES, THE NUMBER OF ELIGIBLE CHILDREN SERVED,  
3 THE AVERAGE COST OF EARLY INTERVENTION SERVICES, AND ANY OTHER  
4 INFORMATION THE DEPARTMENT DEEMS APPROPRIATE. THE REPORT SHALL  
5 BE SUBMITTED TO THE JOINT BUDGET COMMITTEE AS PART OF THE  
6 DEPARTMENT'S ANNUAL BUDGET REQUEST. THE DEPARTMENT SHALL ALSO  
7 SUBMIT THE REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEES  
8 AND THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF  
9 REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, AND TO THE EARLY  
10 CHILDHOOD AND SCHOOL READINESS COMMISSION CREATED IN PART 3 OF  
11 ARTICLE 6 OF TITLE 26, C.R.S., OR ITS SUCCESSOR COMMISSION.

12 (2) THE DEPARTMENT SHALL REQUEST, AND CERTIFIED EARLY  
13 INTERVENTION SERVICE BROKERS AND QUALIFIED EARLY INTERVENTION  
14 SERVICE PROVIDERS SHALL PROVIDE, INFORMATION REGARDING EARLY  
15 INTERVENTION SERVICES THAT IS NECESSARY FOR THE DEPARTMENT TO  
16 PREPARE THE ANNUAL REPORT REQUIRED BY THIS SECTION OR OTHER  
17 FEDERAL OR STATE REPORTS AS MAY BE REQUIRED.

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

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

1           (2) THE STATE DEPARTMENT SHALL ENSURE THAT THE EARLY  
2 INTERVENTION SERVICES AND PAYMENTS FOR RECIPIENTS OF MEDICAL  
3 ASSISTANCE UNDER THIS TITLE ARE INTEGRATED INTO THE COORDINATED  
4 EARLY INTERVENTION PAYMENT SYSTEM DEVELOPED PURSUANT TO PART  
5 7 OF ARTICLE 10.5 OF TITLE 27, C.R.S. TO THE EXTENT NECESSARY TO  
6 ACHIEVE THE COORDINATED PAYMENT SYSTEM AND COVERAGE OF THOSE  
7 EARLY INTERVENTION SERVICES UNDER THIS TITLE, THE STATE  
8 DEPARTMENT SHALL AMEND THE STATE PLAN FOR MEDICAL ASSISTANCE  
9 OR SEEK THE NECESSARY FEDERAL AUTHORIZATION, PROMULGATE RULES,  
10 AND MODIFY THE BILLING SYSTEM FOR MEDICAL ASSISTANCE TO  
11 FACILITATE THE COORDINATED PAYMENT SYSTEM.

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

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

1 FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, THE  
2 GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM  
3 INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION  
4 25-36-101, C.R.S., TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE  
5 STATE DEPARTMENT FOR THE ADMINISTRATION OF THIS SECTION THE  
6 LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED FORTY-THREE  
7 DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT  
8 ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT  
9 FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a)  
10 (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR  
11 SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

12 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
13 REQUIRES, "EARLY INTERVENTION SERVICES" MEANS THOSE SERVICES  
14 DEFINED AS EARLY INTERVENTION SERVICES BY THE DEPARTMENT OF  
15 HUMAN SERVICES IN ACCORDANCE WITH SECTION 27-10.5-702 (5), C.R.S.,  
16 BUT EXCLUDING THE FOLLOWING:

17 (a) NONEMERGENCY MEDICAL TRANSPORTATION;

18 (b) RESPITE CARE;

19 (c) SERVICE COORDINATION, AS DEFINED IN 34 CFR 303.12 (d)  
20 (11); AND

21 (d) ASSISTIVE TECHNOLOGY, UNLESS ASSISTIVE TECHNOLOGY IS  
22 COVERED UNDER THIS TITLE AS DURABLE MEDICAL EQUIPMENT.

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

26 **10-16-104. Mandatory coverage provisions - definitions.**

27 (1.3) **Early intervention services.** (a) AS USED IN THIS SUBSECTION

1 (1.3), UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (I) "DIVISION" MEANS THE UNIT WITHIN THE DEPARTMENT OF  
3 HUMAN SERVICES THAT IS RESPONSIBLE FOR DEVELOPMENTAL  
4 DISABILITIES SERVICES.

5  
6 (II) "EARLY INTERVENTION SERVICES" MEANS SERVICES AS  
7 DEFINED BY THE DIVISION IN ACCORDANCE WITH PART C THAT ARE  
8 AUTHORIZED THROUGH AN ELIGIBLE CHILD'S IFSP, BUT EXCLUDING  
9 NONEMERGENCY MEDICAL TRANSPORTATION; RESPITE CARE; SERVICE  
10 COORDINATION, AS DEFINED IN 34 CFR 303.12 (d) (11); AND ASSISTIVE  
11 TECHNOLOGY, UNLESS ASSISTIVE TECHNOLOGY IS COVERED UNDER THE  
12 APPLICABLE INSURANCE POLICY OR SERVICE OR INDEMNITY CONTRACT AS  
13 DURABLE MEDICAL EQUIPMENT.

14 (III) "ELIGIBLE CHILD" MEANS AN INFANT OR TODDLER, FROM  
15 BIRTH UP TO THE CHILD'S THIRD BIRTHDAY, WHO IS AN ENROLLED  
16 DEPENDENT AND WHO, AS DEFINED BY THE DIVISION PURSUANT TO  
17 SECTION 27-10.5-702 (6), C.R.S., HAS SIGNIFICANT DELAYS IN  
18 DEVELOPMENT OR HAS A DIAGNOSED PHYSICAL OR MENTAL CONDITION  
19 THAT HAS A HIGH PROBABILITY OF RESULTING IN SIGNIFICANT DELAYS IN  
20 DEVELOPMENT OR WHO IS ELIGIBLE FOR SERVICES PURSUANT TO SECTION  
21 27-10.5-102 (11) (c).

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

26 (V) "PART C" MEANS THE EARLY INTERVENTION PROGRAM FOR  
27 INFANTS AND TODDLERS WHO ARE ELIGIBLE FOR SERVICES UNDER PART C

1 OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", 20  
2 U.S.C. SEC. 1400 ET SEQ., AS AMENDED.

3 (VI) "QUALIFIED EARLY INTERVENTION SERVICE PROVIDER" OR  
4 "QUALIFIED PROVIDER" MEANS A PERSON OR AGENCY, AS DEFINED BY THE  
5 DIVISION IN ACCORDANCE WITH PART C, WHO PROVIDES EARLY  
6 INTERVENTION SERVICES AND IS LISTED ON THE REGISTRY OF EARLY  
7 INTERVENTION SERVICE PROVIDERS PURSUANT TO SECTION 27-10.5-705  
8 (1) (a), C.R.S.

9 (b) (I) ALL INDIVIDUAL AND GROUP SICKNESS AND ACCIDENT  
10 INSURANCE POLICIES ISSUED BY AN ENTITY SUBJECT TO PART 2 OF THIS  
11 ARTICLE ON OR AFTER JANUARY 1, 2008, AND ALL SERVICE OR INDEMNITY  
12 CONTRACTS ISSUED BY AN ENTITY SUBJECT TO PART 3 OR 4 OF THIS  
13 ARTICLE ON OR AFTER JANUARY 1, 2008, THAT INCLUDE DEPENDENT  
14 COVERAGE SHALL PROVIDE COVERAGE FOR EARLY \_\_\_\_\_ INTERVENTION  
15 SERVICES DELIVERED BY A QUALIFIED EARLY INTERVENTION SERVICE  
16 PROVIDER TO AN ELIGIBLE CHILD. EARLY INTERVENTION SERVICES  
17 SPECIFIED IN AN ELIGIBLE CHILD'S IFSP SHALL QUALIFY AS MEETING THE  
18 STANDARD FOR MEDICALLY NECESSARY HEALTH CARE SERVICES AS USED  
19 BY PRIVATE HEALTH INSURANCE PLANS.

20 (II) THE COVERAGE REQUIRED BY THIS SUBSECTION (1.3) SHALL BE  
21 AVAILABLE ANNUALLY TO AN ELIGIBLE CHILD FROM BIRTH UP TO THE  
22 CHILD'S THIRD BIRTHDAY AND, FOR THE CALENDAR OR POLICY YEAR  
23 BEGINNING JANUARY 1, 2008, SHALL BE LIMITED TO FIVE THOUSAND SEVEN  
24 HUNDRED TWENTY-FIVE DOLLARS, \_\_\_\_\_ INCLUDING CASE MANAGEMENT  
25 COSTS, FOR EARLY INTERVENTION SERVICES FOR EACH DEPENDENT CHILD  
26 PER CALENDAR OR POLICY YEAR. FOR THE CALENDAR OR POLICY YEAR  
27 BEGINNING JANUARY 1, 2009, AND FOR EACH CALENDAR OR POLICY YEAR

1 THEREAFTER, THE LIMIT SHALL BE ADJUSTED BY THE DIVISION BASED ON  
2 THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER-GREELEY  
3 METROPOLITAN STATISTICAL AREA FOR THE PRECEDING YEAR. \_\_\_

4 (III) EXCEPT AS PROVIDED IN PARAGRAPH (d) OF THIS SUBSECTION  
5 (1.3), THE COVERAGE SHALL NOT BE SUBJECT TO DEDUCTIBLES OR  
6 COPAYMENTS, AND ANY BENEFITS PAID UNDER THE COVERAGE REQUIRED  
7 BY THIS SUBSECTION (1.3) SHALL NOT BE APPLIED TO AN ANNUAL OR  
8 LIFETIME MAXIMUM BENEFIT CONTAINED IN THE POLICY OR CONTRACT.  
9 UNLESS THE CARRIER AGREES PRIOR TO THE PROVISION OF EARLY  
10 INTERVENTION SERVICES, A CARRIER SHALL NOT BE REQUIRED TO PAY A  
11 REIMBURSEMENT RATE FOR EARLY INTERVENTION SERVICES PROVIDED BY  
12 A NONPARTICIPATING PROVIDER THAT EXCEEDS THE REIMBURSEMENT RATE  
13 ALLOWED FOR COMPARABLE EARLY INTERVENTION SERVICES PROVIDED BY  
14 A PARTICIPATING PROVIDER.

15 (IV) THE LIMIT ON THE AMOUNT OF COVERAGE FOR EARLY  
16 INTERVENTION SERVICES SPECIFIED IN SUBPARAGRAPH (II) OF THIS  
17 PARAGRAPH (b) SHALL NOT APPLY TO:

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

20 (B) SERVICES PROVIDED TO A CHILD WHO IS NOT PARTICIPATING IN  
21 PART C AND SERVICES THAT ARE NOT PROVIDED PURSUANT TO AN IFSP.

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

23 (I) SHORT-TERM, ACCIDENT, FIXED INDEMNITY, OR SPECIFIED  
24 DISEASE POLICIES, DISABILITY INCOME CONTRACTS, LIMITED BENEFIT OR  
25 CREDIT DISABILITY INSURANCE, OR A MEDICARE SUPPLEMENT POLICY, AS  
26 DEFINED IN SECTION 10-18-101 (4).

27 (II) WORKERS' COMPENSATION OR SIMILAR INSURANCE.

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

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

12          (II) IF A HIGH DEDUCTIBLE PLAN THAT WOULD QUALIFY FOR A  
13          HEALTH SAVINGS ACCOUNT PURSUANT TO 26 U.S.C. SEC. 223 REQUIRES A  
14          DEDUCTIBLE OR COPAYMENT AMOUNT FOR THE COVERAGE REQUIRED BY  
15          THIS SUBSECTION (1.3), THE DEDUCTIBLE OR COPAYMENT AMOUNT MAY BE  
16          PAID BY THE STATE AS DETERMINED BY RULES ADOPTED BY THE  
17          COMMISSIONER IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., IN  
18          CONSULTATION WITH THE DIVISION OF INSURANCE.

19          **(1.7) Therapies for congenital defects and birth abnormalities.**

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

27          **SECTION 4. 10-16-105 (5) (g) (I), Colorado Revised Statutes, is**

1 amended to read:

2 **10-16-105. Small group sickness and accident insurance -**  
3 **guaranteed issue - mandated provisions for basic health benefit plans**  
4 **- rules - benefit design advisory committee - repeal.** (5) Each small  
5 group sickness and accident insurer or other entity shall make reasonable  
6 disclosure in solicitation and sales materials provided to small employers  
7 the following information in a form and manner prescribed by the  
8 commissioner and upon request of any such small employer shall provide  
9 such information in detail:

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

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

25 **25.5-8-105. Trust and supplemental settlement moneys account**  
26 **- created.** (3) (b) Pursuant to section 24-75-1104.5 (1.5) (a) (V), C.R.S.,  
27 beginning in the 2007-08 fiscal year and each fiscal year thereafter so long

1 as the state receives moneys pursuant to the master settlement agreement,  
2 the state treasurer shall transfer to the supplemental tobacco litigation  
3 settlement moneys account of the trust five percent of the portion of the  
4 moneys annually received by the state pursuant to the master settlement  
5 agreement, not including attorney fees and costs, during the preceding  
6 fiscal year that remains after the programs, services, and funds that receive  
7 such moneys pursuant to section 24-75-1104.5 (1), C.R.S., have been fully  
8 funded. FOR THE 2007-08 FISCAL YEAR, THE STATE TREASURER SHALL  
9 TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT  
10 FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE ACCOUNT THE  
11 LESSER OF EIGHTY-TWO THOUSAND FIFTY-NINE DOLLARS OR FIVE AND  
12 NINE-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM  
13 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR  
14 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY  
15 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH  
16 GENERAL ASSEMBLY. FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL  
17 YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE  
18 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN  
19 SECTION 25-36-101, C.R.S., TO THE ACCOUNT THE LESSER OF ONE  
20 HUNDRED THIRTEEN THOUSAND EIGHT HUNDRED SEVENTY-THREE DOLLARS  
21 OR FIVE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE  
22 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL  
23 YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED  
24 BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE  
25 SIXTY-SIXTH GENERAL ASSEMBLY.

26 SECTION 6. 25-36-101, Colorado Revised Statutes, as enacted  
27 by Senate Bill 07-097, enacted at the First Regular Session of the

1 Sixty-sixth General Assembly, is amended BY THE ADDITION OF THE  
2 FOLLOWING NEW SUBSECTIONS to read:

3 **25-36-101. Short-term grants for innovative health programs**  
4 **- grant fund - creation.** (3) NOTWITHSTANDING ANY OTHER PROVISION  
5 OF THIS SECTION, FOR THE 2007-08 FISCAL YEAR, THE STATE TREASURER  
6 SHALL TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM  
7 GRANT FUND TO THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT  
8 MONEYS ACCOUNT OF THE CHILDREN'S BASIC HEALTH PLAN TRUST  
9 CREATED IN SECTION 25.5-8-105, C.R.S., FOR THE PURPOSES OF THE  
10 "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S.,  
11 THE LESSER OF EIGHTY-TWO THOUSAND FIFTY-NINE DOLLARS OR FIVE AND  
12 NINE-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM  
13 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR  
14 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY  
15 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH  
16 GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
17 SECTION, FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL YEAR  
18 THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE  
19 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE  
20 SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF  
21 THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION  
22 25.5-8-105, C.R.S., FOR THE PURPOSES OF THE "CHILDREN'S BASIC  
23 HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., THE LESSER OF ONE  
24 HUNDRED THIRTEEN THOUSAND EIGHT HUNDRED SEVENTY-THREE DOLLARS  
25 OR FIVE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE  
26 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL  
27 YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED

1 BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE  
2 SIXTY-SIXTH GENERAL ASSEMBLY.

3 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
4 FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL  
5 APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM  
6 GRANT FUND TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE  
7 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE  
8 ADMINISTRATION OF SECTION 25.5-1-123, C.R.S., THE LESSER OF  
9 THIRTY-ONE THOUSAND TWO HUNDRED FORTY-SIX DOLLARS OR TWO AND  
10 TWO-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM  
11 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR  
12 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY  
13 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH  
14 GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
15 SECTION, FOR THE 2008-09 FISCAL YEAR AND EACH FISCAL YEAR  
16 THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE  
17 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE OFFICE  
18 OF THE EXECUTIVE DIRECTOR IN THE DEPARTMENT OF HEALTH CARE  
19 POLICY AND FINANCING FOR THE ADMINISTRATION OF SECTION 25.5-1-123,  
20 C.R.S., THE LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED  
21 FORTY-THREE DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE  
22 AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM  
23 GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5  
24 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST  
25 REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

26 **SECTION 7. Appropriation.** (1) In addition to any other  
27 appropriation, there is hereby appropriated, out of any moneys in the

1 short-term innovative health program grant fund created pursuant to  
2 section 24-75-1104.5 (1.5) (a) (IX), Colorado Revised Statutes, enacted  
3 by Senate Bill 07-097 at the first regular session of the sixty-sixth general  
4 assembly, not otherwise appropriated, to the department of health care  
5 policy and financing, executive director's office, the sum of thirty-one  
6 thousand two hundred forty-six dollars (\$31,246) and 1.0 FTE, or so much  
7 thereof as may be necessary, for implementation of this act. In addition to  
8 said appropriation, the general assembly anticipates that, for the fiscal year  
9 beginning July 1, 2007, the department of health care policy and financing  
10 will receive the sum of thirty-one thousand two hundred forty-six dollars  
11 (\$31,246) in federal funds for the implementation of this act. Although the  
12 federal funds are not appropriated in this act, they are noted for the  
13 purpose of indicating the assumptions used relative to these funds in  
14 developing state appropriation amounts.

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

1           (3) In addition to any other appropriation, there is hereby  
2 appropriated, out of any moneys in the early intervention services trust  
3 fund, created pursuant to section 27-10.5-706 (2) (a), Colorado Revised  
4 Statutes, to the department of human services, services for people with  
5 disabilities, developmental disability services, for community services, the  
6 sum of fifty-three thousand five hundred sixty-eight dollars (\$53,568) cash  
7 funds and 1.0 FTE, or so much thereof as may be necessary, for  
8 implementation of this act. In addition to said appropriation, the general  
9 assembly anticipates that, for the fiscal year beginning July 1, 2007, the  
10 department of human services will receive the sum of two million eight  
11 hundred eight thousand nine hundred thirty-two dollars (\$2,808,932) cash  
12 funds exempt custodial funds, for early intervention services, from the  
13 early intervention services trust fund created pursuant to section  
14 27-10.5-706 (2) (a), Colorado Revised Statutes. Although the cash funds  
15 exempt custodial funds are not appropriated in this act, they are noted for  
16 the purpose of indicating the assumptions used relative to these funds in  
17 developing state appropriation amounts.

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

25           **SECTION 8. Effective date - applicability.** (1) Except as  
26 provided in subsection (2) of this section, this act shall take effect July 1,  
27 2007.

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

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