

First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 07-0061.01 Christy Chase

SENATE BILL 07-004

SENATE SPONSORSHIP

Shaffer, and Williams

HOUSE SPONSORSHIP

Todd, and Solano

Senate Committees

Health and Human Services
Appropriations

House Committees

Health and Human Services
Appropriations

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.**

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.*

HOUSE
3rd Reading Unamended
May 3, 2007

HOUSE
Amended 2nd Reading
May 2, 2007

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

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 [REDACTED] 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 [REDACTED] 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 FOUR HUNDRED TWENTY-THREE DOLLARS OR THREE AND ONE-TENTH
18 PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE
19 HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO
20 SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL
21 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL
22 ASSEMBLY. FOR THE 2008-09 AND 2009-10 FISCAL YEARS, THE GENERAL
23 ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM INNOVATIVE
24 HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101, C.R.S.,
25 TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE STATE DEPARTMENT
26 FOR THE ADMINISTRATION OF THIS SECTION THE LESSER OF TWENTY-NINE
27 THOUSAND SEVEN HUNDRED EIGHTY-FOUR DOLLARS OR ONE AND

1 FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM
2 INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR
3 PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY
4 SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH
5 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 [REDACTED] SHALL BE LIMITED TO FIVE THOUSAND
6 SEVEN HUNDRED TWENTY-FIVE DOLLARS, [REDACTED] INCLUDING CASE
7 MANAGEMENT COSTS, FOR EARLY INTERVENTION SERVICES FOR EACH
8 DEPENDENT CHILD PER CALENDAR OR POLICY YEAR. FOR POLICIES OR
9 CONTRACTS ISSUED OR RENEWED ON OR AFTER JANUARY 1, 2009, AND ON
10 OR AFTER EACH JANUARY 1 [REDACTED] THEREAFTER, THE LIMIT SHALL BE
11 ADJUSTED BY THE DIVISION BASED ON THE CONSUMER PRICE INDEX FOR
12 THE DENVER-BOULDER-GREELEY METROPOLITAN STATISTICAL AREA FOR
13 THE STATE FISCAL YEAR THAT ENDS IN THE PRECEDING CALENDAR YEAR.

14 ==
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 TWENTY-TWO THOUSAND THREE HUNDRED SEVEN DOLLARS OR
5 TWO AND TWO-TENTHS PERCENT [REDACTED] OF THE AMOUNT ALLOCATED TO THE
6 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL
7 YEAR PURSUANT TO SECTION 24-75-1104.5(1.5)(a)(IX), C.R.S., ENACTED
8 BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE
9 SIXTY-SIXTH GENERAL ASSEMBLY. FOR THE 2008-09 AND 2009-10 FISCAL
10 YEARS, [REDACTED] 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
13 TWENTY-NINE THOUSAND FIVE HUNDRED FIFTEEN DOLLARS OR ONE AND
14 FOUR-TENTHS PERCENT [REDACTED] [REDACTED] 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 TWENTY-TWO THOUSAND THREE HUNDRED SEVEN DOLLARS
5 OR TWO AND TWO-TENTHS PERCENT [REDACTED] OF THE AMOUNT ALLOCATED TO
6 THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE
7 FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S..
8 ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE
9 SIXTY-SIXTH GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER
10 PROVISION OF THIS SECTION, FOR THE 2008-09 AND 2009-10 FISCAL YEARS,
11 [REDACTED] THE STATE TREASURER SHALL TRANSFER FROM THE SHORT-TERM
12 INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE SUPPLEMENTAL
13 TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF THE CHILDREN'S
14 BASIC HEALTH PLAN TRUST CREATED IN SECTION 25.5-8-105, C.R.S., FOR
15 THE PURPOSES OF THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE
16 8 OF TITLE 25.5, C.R.S., THE LESSER OF TWENTY-NINE THOUSAND FIVE
17 HUNDRED FIFTEEN DOLLARS OR ONE AND FOUR-TENTHS PERCENT [REDACTED]
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 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
23 FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL
24 APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM
25 GRANT FUND TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE
26 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE
27 ADMINISTRATION OF SECTION 25.5-1-123, C.R.S., THE LESSER OF

1 THIRTY-ONE THOUSAND FOUR HUNDRED TWENTY-THREE DOLLARS OR
2 THREE AND ONE-TENTH PERCENT OF THE AMOUNT ALLOCATED TO THE
3 SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL
4 YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED
5 BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE
6 SIXTY-SIXTH GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER
7 PROVISION OF THIS SECTION, FOR THE 2008-09 AND 2009-10 FISCAL YEARS,
8 THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM
9 INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE OFFICE OF THE
10 EXECUTIVE DIRECTOR IN THE DEPARTMENT OF HEALTH CARE POLICY AND
11 FINANCING FOR THE ADMINISTRATION OF SECTION 25.5-1-123, C.R.S., THE
12 LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED EIGHTY-FOUR
13 DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED
14 TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE
15 FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S.,
16 ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE
17 SIXTY-SIXTH GENERAL ASSEMBLY.

18 **SECTION 7. Appropriation.** (1) In addition to any other
19 appropriation, there is hereby appropriated, out of any moneys in the
20 short-term innovative health program grant fund created pursuant to
21 section 25-36-101 (2), Colorado Revised Statutes, enacted by Senate Bill
22 07-097 at the first regular session of the sixty-sixth general assembly, not
23 otherwise appropriated, to the department of health care policy and
24 financing, executive director's office, the sum of thirty-one thousand four
25 hundred twenty three dollars (\$31,423) and 1.0 FTE, or so much thereof
26 as may be necessary, for implementation of this act. In addition to said
27 appropriation, the general assembly anticipates that, for the fiscal year

1 beginning July 1, 2007, the department of health care policy and financing
2 will receive the sum of thirty-one thousand four hundred twenty-three
3 dollars (\$31,423) in federal funds for the implementation of this act.
4 Although the federal funds are not appropriated in this act, they are noted
5 for the purpose of indicating the assumptions used relative to these funds
6 in developing state appropriation amounts.

7 (2) In addition to any other appropriation, there is hereby
8 appropriated, to the department of health care policy and financing,
9 indigent care program, for children's basic health plan administration, for
10 the fiscal year beginning July 1, 2007, the sum of four thousand dollars
11 (\$4,000), or so much thereof as may be necessary, for the implementation
12 of this act. Of said sum, one thousand four hundred dollars (\$1,400) shall
13 be cash funds exempt from the supplemental tobacco litigation settlement
14 account in the children's basic health plan trust, created pursuant to section
15 25.5-8-105 (1), Colorado Revised Statutes, enacted by Senate Bill 07-097
16 at the first regular session of the sixty-sixth general assembly, and two
17 thousand six hundred dollars (\$2,600) shall be from federal funds.

18 (3) In addition to any other appropriation, there is hereby
19 appropriated, to the department of health care policy and financing,
20 indigent care program, for children's basic health plan premium costs, for
21 the fiscal year beginning July 1, 2007, the sum of fifty-nine thousand
22 seven hundred thirty-four dollars (\$59,734), or so much thereof as may be
23 necessary, for the implementation of this act. Of said sum, twenty
24 thousand nine hundred seven dollars (\$20,907) shall be cash funds exempt
25 from the supplemental tobacco litigation settlement account in the
26 children's basic health plan trust, created pursuant to section 25.5-8-105
27 (1), Colorado Revised Statutes, enacted by Senate Bill 07-097 at the first

1 regular session of the sixty-sixth general assembly, and thirty-eight
2 thousand eight hundred twenty-seven dollars (\$38,827) shall be from
3 federal funds.

4 (4) In addition to any other appropriation, there is hereby
5 appropriated, out of any moneys in the early intervention services trust
6 fund, created pursuant to section 27-10.5-706 (2) (a), Colorado Revised
7 Statutes, to the department of human services, office of operations, the
8 sum of fifty-three thousand nine hundred twenty dollars (\$53,920)
9 cash funds and 1.0 FTE, or so much thereof as may be necessary, for
10 implementation of this act. In addition to said appropriation, the general
11 assembly anticipates that, for the fiscal year beginning July 1, 2007, the
12 department of human services will receive the sum of two million eight
13 hundred eight thousand five hundred eighty dollars (\$2,808,580) cash
14 funds exempt custodial funds, for early intervention services, from the
15 early intervention services trust fund created pursuant to section
16 27-10.5-706 (2) (a), Colorado Revised Statutes. Although the cash funds
17 exempt custodial funds are not appropriated in this act, they are noted for
18 the purpose of indicating the assumptions used relative to these funds in
19 developing state appropriation amounts.

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

27 **SECTION 8.** Section 14 (5) (c) of Senate Bill 07-097, enacted at

1 the First Regular Session of the Sixty-sixth General Assembly, is amended
2 to read:

3 Section 14. **Appropriation.** (5)(c) In addition to any other
4 appropriation, there is hereby appropriated, out of any moneys in the
5 short-term innovative health program grant fund created in section
6 25-36-101 (2), Colorado Revised Statutes, not otherwise appropriated, to
7 the department of public health and environment, for the fiscal year
8 beginning July 1, 2007, the sum of ~~one million four hundred thousand~~
9 ~~dollars (\$1,400,000)~~, ONE MILLION THREE HUNDRED FORTY-SIX THOUSAND
10 TWO HUNDRED SEVENTY DOLLARS (\$1,346,270), cash funds exempt, and
11 1.0 FTE, or so much thereof as may be necessary, for the implementation
12 of this act.

13 **SECTION 9. Effective date - applicability.** (1) Except as
14 provided in subsection (2) of this section, this act shall take effect July 1,
15 2007.

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

19 **SECTION 10. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, and safety.