SENATE BILL 11-200


CONCERNING A COLORADO HEALTH BENEFIT EXCHANGE, AND, IN
CONNECTION THEREWITH, CREATING A PROCESS FOR THE IMPLEMENTATION
OF A HEALTH BENEFIT EXCHANGE IN COLORADO.

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

SECTION 1. Title 10, Colorado Revised Statutes, is amended BY
THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 22
Colorado Health Benefit Exchange

10-22-101. Short title. THIS ARTICLE IS KNOWN AND MAY BE CITED
AS THE "COLORADO HEALTH BENEFIT EXCHANGE ACT".

10-22-102. Legislative declaration - intent. THE GENERAL

10-22-103. Definitions. As used in this article, unless the context otherwise requires:

(1) "Board" means the board of directors of the exchange, appointed in accordance with section 10-22-105.

(2) "Committee" means the legislative health benefit exchange implementation review committee created in section 10-22-107.
(3) "Exchange" means the Colorado health benefit exchange created in this article.


(5) "Secretary" means the secretary of the United States department of health and human services.

10-22-104. Health benefit exchange - creation. There is hereby created a nonprofit unincorporated public entity known as the health benefit exchange. The board of directors shall govern the operation of the exchange. The board shall determine and establish the development, governance, and operation of the exchange. The exchange is an instrumentality of the state; except that the debts and liabilities of the exchange do not constitute the debts and liabilities of the state, and neither the exchange nor the board is an agency of the state. The board does not have the authority to promulgate rules pursuant to the "State Administrative Procedure Act", article 4 of title 24, C.R.S. The exchange shall not duplicate or replace the duties of the commissioner established in section 10-1-108, including rate approval, except as directed by the federal act. The exchange shall foster a competitive marketplace for insurance and shall not solicit bids or engage in the active purchasing of insurance. All carriers authorized to conduct business in this state may be eligible to participate in the exchange.

10-22-105. Exchange board of directors. (1) (a) There is hereby created the board of directors of the exchange. The board consists of twelve members, of whom nine are voting members and three are nonvoting, ex officio members. On or before July 1, 2011, the governor shall appoint five voting members to the board, and the president of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives shall each appoint one voting member to the board. The governor shall not appoint more than three members from the same political party. The board shall elect one of its members as chair of the board. Members of the
BOARD MAY BE REMOVED BY THEIR RESPECTIVE APPOINTING AUTHORITIES FOR CAUSE. THE PERSON MAKING THE ORIGINAL APPOINTMENT OR REAPPOINTMENT, OR WHOEVER IS ENTITLED TO MAKE THE APPOINTMENT ON THE DATE OF A VACANCY, SHALL FILL THE VACANCY BY APPOINTMENT FOR THE REMAINDER OF AN UNEXPIRED TERM. MEMBERS MAY SERVE A MAXIMUM OF TWO CONSECUTIVE TERMS. IF A MEMBER IS APPOINTED TO FILL A VACANCY AND SERVES FOR MORE THAN HALF OF THE UNEXPIRED TERM, THE MEMBER SHALL BE ELIGIBLE FOR APPOINTMENT TO ONLY ONE MORE CONSECUTIVE TERM.

(b) The persons making the appointments shall coordinate appointments to ensure that there is broad representation within the skill sets specified in this paragraph (b) and shall consider the geographic, economic, ethnic, and other characteristics of the state when making the appointments. A majority of the voting members must be business representatives or individuals who are not directly affiliated with the insurance industry, and none shall be state employees. Of the members first appointed, in order to ensure staggered terms, four of the governor’s appointees shall serve for a term of two years and the remaining governor’s appointee and other initial appointees shall serve for a term of four years. Thereafter, the terms of the members shall be for four years. Each person appointed to the board should have demonstrated expertise in at least two, and in any case shall have demonstrated expertise in no less than one, of the following areas:

(I) Individual health insurance coverage;

(II) Small employer health insurance;

(III) Health benefits administration;

(IV) Health care finance;

(V) Administration of a public or private health care delivery system;

(VI) The provision of health care services;
(VII) The purchase of health insurance coverage;

(VIII) Health care consumer navigation or assistance;

(IX) Health care economics or health care actuarial sciences;

(X) Information technology; or

(XI) Starting a small business with fifty or fewer employees.

(c) The executive director of the Department of Health Care Policy and Financing, or his or her designee; the commissioner of insurance, or his or her designee; and the director of the Office of Economic Development and International Trade, or his or her designee, shall serve as nonvoting, ex officio members of the board.

(2) Each member of the board is responsible for meeting the requirements of this article and all applicable state and federal laws, rules, and regulations; serving in the public interest of the individuals and small businesses seeking health care coverage through the exchange; and ensuring the operational well-being and fiscal solvency of the exchange.

(3) (a) Board members shall not receive compensation for performance of services for the board but may receive a per diem and reimbursement for travel and other necessary expenses while engaged in the performance of official duties of the board. Per diem and reimbursement expenses are paid through grant moneys received by the board.

(b) A member of the board shall not perform an official act that may have a direct economic benefit on a business or other undertaking in which the member has a direct or substantial financial interest.

(c) A board member or an officer or employee of the exchange is not liable for an act or omission when acting in his or
HER OFFICIAL CAPACITY, IN GOOD FAITH, WITHOUT INTENT TO DEFRAUD, AND IN CONNECTION WITH THE ADMINISTRATION, MANAGEMENT, OR CONDUCT OF THIS ARTICLE.

(4) (a) **BOARD MEMBERS ARE SUBJECT TO ARTICLES 6, 18, AND 72 OF TITLE 24, C.R.S.**

(b) **ALL MONEYS RECEIVED BY THE BOARD FOR THE EXCHANGE ARE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDIT COMMITTEE. THE BOARD SHALL REPORT ALL MONEYS RECEIVED FOR THE EXCHANGE TO THE LEGISLATIVE AUDIT COMMITTEE.**

(5) ANY INFORMATION PROVIDED TO A BOARD MEMBER PURSUANT TO THIS ARTICLE THAT IS EXEMPT FROM DISCLOSURE UNDER EITHER SECTION 24-72-204, C.R.S., OR PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S., SHALL BE AND REMAIN CONFIDENTIAL AND MAY BE USED ONLY BY THE BOARD.

10-22-106. **Powers and duties of the board.** (1) **THE BOARD IS THE GOVERNING BODY OF THE EXCHANGE AND HAS ALL THE POWERS AND DUTIES NECESSARY TO IMPLEMENT THIS ARTICLE. THE BOARD SHALL:**

(a) **APPOINT AN EXECUTIVE DIRECTOR TO ADMINISTER THE EXCHANGE, SUBJECT TO APPROVAL BY THE COMMITTEE;**

(b) **CREATE AN INITIAL OPERATIONAL AND FINANCIAL PLAN, SUBJECT TO APPROVAL BY THE COMMITTEE;**

(c) **APPLY FOR PLANNING AND ESTABLISHMENT GRANTS MADE AVAILABLE TO THE EXCHANGE PURSUANT TO THE FEDERAL ACT AND APPLY FOR, RECEIVE, AND EXPEND OTHER GIFTS, GRANTS, AND DONATIONS. EACH GRANT APPLICATION IS SUBJECT TO THE REVIEW AND UNANIMOUS APPROVAL OF THE BOARD CHAIR AND THE CHAIR AND VICE-CHAIR OF THE COMMITTEE PRIOR TO THE SUBMISSION OF THE APPLICATION. IF THERE IS NOT UNANIMOUS APPROVAL, EACH GRANT APPLICATION IS SUBJECT TO REVIEW AND THE MAJORITY APPROVAL OF THE COMMITTEE.**

(d) **CREATE TECHNICAL AND ADVISORY GROUPS AS NEEDED TO REPORT TO THE BOARD. THE ADVISORY GROUPS SHALL MEET REGULARLY THROUGHOUT THE YEAR TO DISCUSS ISSUES RELATED TO THE EXCHANGE AND MAKE RECOMMENDATIONS TO THE BOARD.**

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(c) Provide a written report, on before January 15 of each year, to the governor and the general assembly concerning the planning and establishment of the exchange and present the report to the senate health and human services committee and the house of representatives health and environment committee, or their successor committees;

(f) Review the internet portal operated and maintained by the secretary and the model template for an internet portal made available by the secretary for use by the state exchanges and review other appropriate internet portals. The review must include an examination as to whether the model template may be used to direct individuals and employers to health plans, to assist individuals and employers in determining whether they are eligible to participate in the exchange or eligible for a premium tax credit or cost-sharing reduction, and to present standardized information regarding health plans offered through the exchange to assist consumers in making health insurance choices.

(g) Consider the desirability of structuring the exchange as one entity that includes two underlying entities to operate in the individual and the small employer markets, respectively;

(h) Consider the appropriate size of the small employer market under the exchange, taking into consideration the definition of "small employer" pursuant to section 10-16-102;

(i) Consider the unique needs of rural Coloradans as they pertain to access, affordability, and choice in purchasing health insurance;

(j) Consider the affordability and cost in the context of quality care and increased access to purchasing health insurance; and

(k) Investigate requirements, develop options, and determine waivers, if appropriate, to ensure that the best interests of Coloradans are protected.

(2) The board may enter into information-sharing
AGREEMENTS WITH FEDERAL AND STATE AGENCIES AND OTHER STATE EXCHANGES TO CARRY OUT ITS RESPONSIBILITIES UNDER THIS ARTICLE SO LONG AS THE AGREEMENTS INCLUDE ADEQUATE PROTECTIONS WITH RESPECT TO THE CONFIDENTIALITY OF THE INFORMATION THAT IS SHARED AND COMPLY WITH ALL STATE AND FEDERAL LAWS, RULES, AND REGULATIONS.

10-22-107. Legislative health benefit exchange implementation review committee - creation - duties. (1) FOR THE PURPOSES OF GUIDING IMPLEMENTATION OF AN EXCHANGE IN COLORADO, MAKING RECOMMENDATIONS TO THE GENERAL ASSEMBLY, AND ENSURING THAT THE INTERESTS OF COLORADANS ARE PROTECTED AND FURTHERED, THERE IS HEREBY CREATED THE LEGISLATIVE HEALTH BENEFIT EXCHANGE IMPLEMENTATION REVIEW COMMITTEE. THE COMMITTEE SHALL MEET ON OR BEFORE AUGUST 1, 2011, AND THEREAFTER AT THE CALL OF THE CHAIR AS OFTEN AS FIVE TIMES DURING EACH CALENDAR YEAR. THE COMMITTEE MAY USE THE LEGISLATIVE COUNCIL STAFF TO ASSIST ITS MEMBERS IN RESEARCHING ANY MATTERS.

(2) (a) THE PRESIDENT OF THE SENATE SHALL APPOINT THREE MEMBERS TO THE COMMITTEE. TWO APPOINTEES SHALL BE MEMBERS OF THE SENATE HEALTH AND HUMAN SERVICES COMMITTEE, THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE, OR THE LEGISLATIVE AUDIT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. ONE APPOINTEE SHALL BE A REPRESENTATIVE OF THE SENATE AT LARGE.

(b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT THREE MEMBERS TO THE COMMITTEE. TWO APPOINTEES SHALL BE MEMBERS OF THE HOUSE HEALTH AND ENVIRONMENT COMMITTEE, THE ECONOMIC AND BUSINESS DEVELOPMENT COMMITTEE, OR THE LEGISLATIVE AUDIT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. ONE APPOINTEE SHALL BE A REPRESENTATIVE OF THE HOUSE OF REPRESENTATIVES AT LARGE.

(c) THE MINORITY LEADER OF THE SENATE SHALL APPOINT TWO MEMBERS TO THE COMMITTEE. ONE APPOINTEE SHALL BE A MEMBER OF THE SENATE HEALTH AND HUMAN SERVICES COMMITTEE, THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE, OR THE LEGISLATIVE AUDIT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. ONE APPOINTEE SHALL BE A REPRESENTATIVE OF THE SENATE AT LARGE.

(d) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES
SHALL APPOINT TWO MEMBERS TO THE COMMITTEE. ONE APPOINTEE SHALL BE A MEMBER OF THE HOUSE HEALTH AND ENVIRONMENT COMMITTEE, THE ECONOMIC AND BUSINESS DEVELOPMENT COMMITTEE, OR THE LEGISLATIVE AUDIT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. ONE APPOINTEE SHALL BE A REPRESENTATIVE OF THE HOUSE OF REPRESENTATIVES AT LARGE.

(e) Members of the committee shall serve at the pleasure of the appointing authority.

(3) Members of the committee shall serve without compensation; except that each member shall receive the sums specified in section 2-2-307 (3) (a) and (3) (b), C.R.S., for attendance at meetings of the committee when the general assembly is in recess for more than three days or is not in session.

(4) During odd-numbered years, the president of the senate shall appoint the chair and the speaker of the house of representatives shall appoint the vice-chair of the committee. During even-numbered years the speaker of the house of representatives shall appoint the chair, and the president of the senate shall appoint the vice-chair of the committee.

(5) In any year, the committee may report up to five bills or other measures to the legislative council created in section 2-3-301, C.R.S. These bills are exempt from any applicable bill limit imposed on the individual committee members sponsoring such bills if the bills have been approved by the legislative council under joint rules of the senate and house of representatives.

(6) The committee shall review grants applied for by the board to implement the exchange.

(7) The committee shall review the financial and operational plans of the exchange.

10-22-108. Moneys for implementation of the exchange. Moneys received by the board for the implementation of this article must be transferred directly to the exchange for the purposes of this article. The board shall deposit any moneys received in a banking institution within or outside the state.
MONEYS FROM THE GENERAL FUND SHALL NOT BE USED FOR THE IMPLEMENTATION OF THIS ARTICLE, EXCEPT FOR THE SUMS SPECIFIED IN SECTION 10-22-107(3) AND FOR LEGISLATIVE STAFF AGENCY SERVICES. THE BANKING INSTITUTION MUST BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AND COMPLIANT WITH THE "SAVINGS AND LOAN ASSOCIATION PUBLIC DEPOSIT PROTECTION ACT", ARTICLE 47 OF TITLE 11, C.R.S.

SECTION 2. Accountability. Five years after this act becomes law and in accordance with section 2-2-1201, Colorado Revised Statutes, the legislative service agencies of the Colorado General Assembly shall conduct a post-enactment review of the implementation of this act utilizing the information contained in the legislative declaration set forth in section 1 of this act.

SECTION 3. No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

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

Brandon C. Shaffer  Frank McNulty
PRESIDENT OF SPEAKER OF THE HOUSE
THE SENATE OF REPRESENTATIVES

Cindi L. Markwell  Marilyn Eddins
SECRETARY OF CHIEF CLERK OF THE HOUSE
THE SENATE OF REPRESENTATIVES

APPROVED

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO