

Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 06-0148.01 Christy Chase

SENATE BILL 06-035

SENATE SPONSORSHIP

Hagedorn,

HOUSE SPONSORSHIP

Boyd,

Senate Committees
Health and Human Services

House Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A PROGRAM TO PROVIDE PREMIUM
102 SUBSIDIES TO CERTAIN INDIVIDUALS ENROLLED IN A QUALIFYING
103 HEALTH BENEFIT PLAN.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Interim Committee on Health Insurance. Establishes the Colorado premium subsidy program (program) to provide premium subsidy payments to qualifying individuals enrolled in qualifying health benefit plans. Limits the scope of the program to counties with specified populations and the duration of the program to 5 years. Defines "qualifying individual" as a person:

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.

Who has been uninsured for the past 12 months;
Whose employer has not provided group health insurance during the prior 12 months or whose employer provides group health insurance but who is unable to pay the employee portion of the premium associated with the employer-sponsored plan;
Who resides in a household having a net household income no higher than 200% of the federal poverty level;
Who, if enrolled in a high deductible plan that qualifies for a health savings account, has established a health savings account upon enrollment in a qualifying plan; and
Who applies for reduced-price coverage under the program on or after January 1, 2007.

Defines "qualifying health benefit plan" as a health benefit plan that has a total premium that does not exceed \$200 per month and is:

A high deductible plan that would qualify for a health savings account; or

A managed care plan with the same or similar benefit design as is available to a medical assistance recipient enrolled with a managed care organization under the statewide managed care system.

Requires the board of directors for the program, in cooperation with the commissioner of insurance, to further define the specifications of a qualifying plan.

Establishes a board of directors (board) to administer and operate the program. Authorizes the board to contract with an administrative carrier or 3rd-party administrator to perform the administrative functions of the program. Requires the board to submit to the commissioner of insurance an annual audited financial report of the program for the preceding calendar year.

Allows qualifying individuals to obtain a premium subsidy of 50% of the premium paid for coverage in a qualifying plan in which the individual enrolled on or after January 1, 2007. Caps the monthly premium subsidy per qualifying individual at \$100. Requires premium subsidies to be paid directly to the qualifying individual's health savings account if the individual is enrolled in a high deductible plan that qualifies for a health savings account.

Establishes a procedure for the board to determine the total premium subsidies for a calendar year and to suspend new enrollment if funds are insufficient to meet the anticipated premium subsidy amount needed for the calendar year.

Establishes the Colorado premium subsidy program fund (fund), consisting of a portion of moneys in the general fund exempt account. Allows up to 5% of the moneys in the fund to be used for program administrative costs, with the remaining moneys available for premium

subsidies under the program.

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

2 **SECTION 1.** Article 16 of title 10, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PART to read:

4 PART 11

5 COLORADO PREMIUM SUBSIDY PROGRAM

6 **10-16-1101. Short title.** THIS PART 11 SHALL BE KNOWN AND
7 MAY BE CITED AS THE "COLORADO PREMIUM SUBSIDY PROGRAM ACT".

8 **10-16-1102. Definitions.** AS USED IN THIS PART 11, UNLESS THE
9 CONTEXT OTHERWISE REQUIRES:

10 (1) "ADMINISTERING CARRIER" MEANS THE CARRIER OR
11 THIRD-PARTY ADMINISTRATOR DESIGNATED BY THE BOARD IN
12 ACCORDANCE WITH SECTION 10-16-1106.

13 (2) "BOARD" OR "PREMIUM SUBSIDY PROGRAM BOARD" MEANS THE
14 BOARD OF DIRECTORS CREATED BY SECTION 10-16-1104.

15 (3) "FUND" OR "PROGRAM FUND" MEANS THE COLORADO PREMIUM
16 SUBSIDY PROGRAM FUND CREATED IN SECTION 10-16-1109.

17 (4) "PROGRAM" OR "COLORADO PREMIUM SUBSIDY PROGRAM"
18 MEANS THE PREMIUM SUBSIDY PROGRAM CREATED IN THIS PART 11,
19 INCLUDING THE ADMINISTRATION AND IMPLEMENTATION OF PREMIUM
20 SUBSIDIES FOR THE HEALTH BENEFIT PLANS AUTHORIZED BY THIS PART 11.

21 (5) (a) "QUALIFYING HEALTH BENEFIT PLAN" OR "QUALIFYING
22 PLAN" MEANS A HEALTH BENEFIT PLAN THAT HAS A TOTAL PREMIUM THAT
23 DOES NOT EXCEED TWO HUNDRED DOLLARS PER MONTH AND IS:

24 (I) A HIGH DEDUCTIBLE PLAN THAT WOULD QUALIFY FOR A HEALTH
25 SAVINGS ACCOUNT PURSUANT TO 26 U.S.C. SEC. 223; OR

1 (II) A MANAGED CARE PLAN WITH THE SAME OR SIMILAR BENEFIT
2 DESIGN AS IS AVAILABLE TO A MEDICAL ASSISTANCE RECIPIENT ENROLLED
3 WITH A MANAGED CARE ORGANIZATION UNDER THE STATEWIDE MANAGED
4 CARE SYSTEM IN SUBPART 2 OF PART 1 OF ARTICLE 4 OF TITLE 26, C.R.S.

5 (b) THE BOARD, IN COOPERATION WITH THE COMMISSIONER, SHALL
6 FURTHER DEFINE THE SPECIFICATIONS OF A QUALIFYING PLAN FOR
7 PURPOSES OF THIS PART 11.

8 (6) (a) "QUALIFYING INDIVIDUAL" MEANS A PERSON:

9 (I) WHO DOES NOT HAVE AND HAS NOT HAD HEALTH INSURANCE
10 WITH BENEFITS ON AN EXPENSE-REIMBURSED OR PREPAID BASIS DURING
11 THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE INDIVIDUAL'S
12 APPLICATION FOR REDUCED-PRICE COVERAGES UNDER THE PROGRAM
13 ESTABLISHED BY THIS PART 11;

14 (II) (A) WHOSE EMPLOYER DOES NOT PROVIDE GROUP HEALTH
15 INSURANCE AND HAS NOT PROVIDED GROUP HEALTH INSURANCE WITH
16 BENEFITS ON AN EXPENSE-REIMBURSED OR PREPAID BASIS COVERING
17 EMPLOYEES DURING THE TWELVE-MONTH PERIOD IMMEDIATELY
18 PRECEDING THE INDIVIDUAL'S APPLICATION FOR REDUCED-PRICE
19 COVERAGE UNDER THE PROGRAM ESTABLISHED BY THIS PART 11; OR

20 (B) WHOSE EMPLOYER PROVIDES GROUP HEALTH INSURANCE AS
21 DESCRIBED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II), BUT
22 WHO IS UNABLE TO PAY THE EMPLOYEE PORTION OF THE PREMIUM
23 ASSOCIATED WITH THE EMPLOYER-SPONSORED PLAN;

24 (III) WHO RESIDES IN A HOUSEHOLD HAVING A NET HOUSEHOLD
25 INCOME THAT IS NO HIGHER THAN TWO HUNDRED PERCENT OF THE
26 FEDERAL POVERTY LEVEL, AS DEFINED AND UPDATED BY THE UNITED
27 STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, OR THE GROSS

1 EQUIVALENT OF SUCH NET INCOME LEVEL;

2 (IV) WHO, IF ENROLLED IN A QUALIFYING PLAN AS DESCRIBED IN
3 SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (5) OF THIS
4 SECTION, ESTABLISHES A HEALTH SAVINGS ACCOUNT UPON ENROLLMENT
5 IN THE QUALIFYING PLAN; AND

6 (V) WHO APPLIES FOR REDUCED-PRICE COVERAGE UNDER THE
7 PROGRAM ESTABLISHED BY THIS PART 11 ON OR AFTER JANUARY 1, 2007.

8 (b) A QUALIFYING INDIVIDUAL MAY ONLY RECEIVE COVERAGE
9 UNDER THE PROVISIONS OF THIS PART 11 FOR A MAXIMUM PERIOD OF FIVE
10 YEARS.

11 (c) THE REQUIREMENTS SET FORTH IN SUBPARAGRAPHS (II) AND
12 (III) OF PARAGRAPH (a) OF THIS SUBSECTION (6) SHALL NOT APPLY TO AN
13 INDIVIDUAL WHO HAD HEALTH INSURANCE COVERAGE DURING THE
14 IMMEDIATELY PRECEDING TWELVE MONTHS IF SUCH COVERAGE WAS
15 TERMINATED FOR ANY REASON OTHER THAN THE VOLUNTARY
16 TERMINATION OF SUCH COVERAGE BY THE INDIVIDUAL.

17 **10-16-1103. Colorado premium subsidy program - creation.**

18 (1) THERE IS HEREBY CREATED THE COLORADO PREMIUM SUBSIDY
19 PROGRAM, WHICH SHALL OPERATE AS A PILOT PROGRAM TO MAKE HEALTH
20 INSURANCE MORE AFFORDABLE FOR QUALIFYING INDIVIDUALS. THE PILOT
21 PROGRAM SHALL OPERATE IN ANY COUNTY IN THE STATE THAT HAS A
22 POPULATION, BASED ON THE 2000 FEDERAL CENSUS, OF:

23 (a) BETWEEN FORTY-THREE THOUSAND NINE HUNDRED AND
24 FORTY-FOUR THOUSAND PEOPLE; AND

25 (b) BETWEEN ONE HUNDRED SIXTEEN THOUSAND AND ONE
26 HUNDRED SIXTEEN THOUSAND FIVE HUNDRED PEOPLE.

27 (2) THE BOARD SHALL OPERATE THE COLORADO PREMIUM SUBSIDY

1 PROGRAM. THE PROGRAM SHALL BE AN INSTRUMENTALITY OF THE STATE;
2 EXCEPT THAT THE DEBTS AND LIABILITIES OF THE PROGRAM SHALL NOT
3 CONSTITUTE DEBTS AND LIABILITIES OF THE STATE, AND NEITHER THE
4 PROGRAM NOR THE BOARD SHALL BE AN AGENCY OF STATE GOVERNMENT.

5 (3) FUNDING FOR THE COLORADO PREMIUM SUBSIDY PROGRAM
6 SHALL COME FROM THE COLORADO PREMIUM SUBSIDY PROGRAM FUND
7 CREATED IN SECTION 10-11-1109.

8 (4) THE COLORADO PREMIUM SUBSIDY PROGRAM SHALL OPERATE
9 AS A FIVE-YEAR PILOT PROGRAM THAT SHALL TERMINATE ON DECEMBER
10 31, 2011, UNLESS EXTENDED OR MADE PERMANENT BY THE GENERAL
11 ASSEMBLY.

12 (5) THE COLORADO PREMIUM SUBSIDY PROGRAM SHALL NOT BE
13 CONSTRUED TO BE AN ENTITLEMENT PROGRAM. THE TOTAL NUMBER OF
14 INDIVIDUALS AND HEALTH BENEFIT PLANS COVERED BY THE PROGRAM
15 SHALL NOT EXCEED THE FUNDING CAPACITY OF THE MONEYS AVAILABLE.

16 **10-16-1104. Board of directors.** (1) THERE IS HEREBY CREATED
17 THE BOARD OF DIRECTORS OF THE COLORADO PREMIUM SUBSIDY
18 PROGRAM, CONSISTING OF SEVEN MEMBERS APPOINTED BY THE GOVERNOR
19 WITH THE CONSENT OF THE SENATE. THE MEMBERS SHALL SERVE FOR
20 TERMS OF FOUR YEARS; EXCEPT THAT, OF THOSE MEMBERS INITIALLY
21 APPOINTED, THREE SHALL SERVE FOR TERMS OF TWO YEARS, TWO SHALL
22 SERVE FOR TERMS OF THREE YEARS, AND TWO SHALL SERVE FOR TERMS OF
23 FOUR YEARS. THE GOVERNOR SHALL APPOINT A QUALIFIED PERSON TO
24 FILL ANY VACANCY ON THE BOARD FOR THE REMAINDER OF ANY
25 UNEXPIRED TERM.

26 (2) THE BOARD MEMBERS SHALL BE APPOINTED AS FOLLOWS:

27 (a) FOUR SHALL BE REPRESENTATIVES OF CARRIERS, ONE OF WHICH

1 REPRESENTATIVES SHALL REPRESENT A HEALTH MAINTENANCE
2 ORGANIZATION, ONE OF WHICH SHALL REPRESENT A SICKNESS AND
3 ACCIDENT INSURANCE CARRIER, AND ONE OF WHICH SHALL REPRESENT A
4 STOP-LOSS OR EXCESS LOSS INSURANCE CARRIER;

5 (b) ONE SHALL BE A MEDICAL PROFESSIONAL;

6 (c) ONE SHALL BE AN INDIVIDUAL WHO IS NOT ASSOCIATED WITH
7 THE MEDICAL PROFESSION, ANY HOSPITAL, OR ANY CARRIER; AND

8 (d) ONE SHALL BE AN INSURANCE BROKER WHO SELLS BOTH
9 INDIVIDUAL AND SMALL GROUP HEALTH BENEFIT PLANS IN COLORADO.

10 (3) THE COMMISSIONER OR HIS OR HER DESIGNEE AND A MEMBER
11 OF THE GENERAL ASSEMBLY SHALL SERVE AS EX OFFICIO NONVOTING
12 MEMBERS OF THE BOARD. THE INITIAL APPOINTEE OF THE GENERAL
13 ASSEMBLY SHALL BE A MEMBER OF THE SENATE APPOINTED BY THE
14 PRESIDENT OF THE SENATE, THE NEXT APPOINTEE SHALL BE A MEMBER OF
15 THE HOUSE OF REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE
16 HOUSE OF REPRESENTATIVES, AND THEREAFTER SUCH APPOINTMENT
17 SHALL ROTATE IN LIKE MANNER BETWEEN THE SENATE AND THE HOUSE OF
18 REPRESENTATIVES.

19 (4) THE BOARD SHALL ELECT ONE OF ITS MEMBERS TO SERVE AS
20 CHAIR.

21 (5) ANY FOUR MEMBERS OF THE BOARD SHALL CONSTITUTE A
22 QUORUM FOR THE PURPOSE OF TRANSACTING BUSINESS AND CARRYING
23 OUT THE PROVISIONS OF THIS PART 11.

24 (6) ANY MEMBER OF THE BOARD MAY BE REMOVED BY THE
25 APPOINTING AUTHORITY FOR MISCONDUCT, INCOMPETENCY, OR NEGLECT
26 OF DUTY.

27 (7) A MEMBER OF THE BOARD SERVING A FOUR-YEAR TERM SHALL

1 NOT SERVE FOR MORE THAN TWO CONSECUTIVE TERMS.

2 (8) MEMBERS OF THE BOARD SHALL SERVE WITHOUT
3 COMPENSATION; EXCEPT THAT THEY SHALL BE REIMBURSED FOR ANY
4 ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF
5 THEIR DUTIES UNDER THIS PART 11, WITH MILEAGE RATES NOT TO EXCEED
6 THOSE AUTHORIZED FOR THE DIVISION OF INSURANCE.

7 **10-16-1105. Board - powers and duties.** (1) THE BOARD SHALL
8 BE THE GOVERNING BODY OF THE COLORADO PREMIUM SUBSIDY PROGRAM
9 AND SHALL HAVE ALL POWERS NECESSARY TO IMPLEMENT THIS PART 11
10 AND SHALL HAVE THE FOLLOWING SPECIFIC AUTHORITY TO:

11 (a) ENTER INTO SUCH CONTRACTS AS ARE NECESSARY OR PROPER
12 TO CARRY OUT THE PROVISIONS AND PURPOSES OF THIS PART 11,
13 INCLUDING THE AUTHORITY TO ENTER INTO CONTRACTS WITH
14 APPROPRIATE ADMINISTRATIVE STAFF, CONSULTANTS, AND LEGAL
15 COUNSEL AND TO SELECT AND CONTRACT WITH THE ADMINISTERING
16 CARRIER IN ACCORDANCE WITH SECTION 10-16-1106. IN ADDITION, THE
17 BOARD SHALL HAVE THE AUTHORITY, WITH THE APPROVAL OF THE
18 COMMISSIONER, TO ENTER INTO CONTRACTS WITH OTHER STATES WITH
19 SIMILAR PLANS FOR THE JOINT PERFORMANCE OF COMMON
20 ADMINISTRATIVE FUNCTIONS OR WITH OTHER PERSONS OR ORGANIZATIONS
21 FOR THE PERFORMANCE OF ADMINISTRATIVE FUNCTIONS. NO CONTRACT
22 ENTERED INTO PURSUANT TO THIS PARAGRAPH (a) SHALL BE SUBJECT TO
23 ARTICLE 103 OF TITLE 24, C.R.S.

24 (b) SUE OR BE SUED, INCLUDING TAKING ANY LEGAL ACTION AS
25 NECESSARY OR PROPER ON BEHALF OF THE COLORADO PREMIUM SUBSIDY
26 PROGRAM;

27 (c) TAKE SUCH LEGAL ACTION AS NECESSARY TO AVOID THE

1 PAYMENT OF IMPROPER CLAIMS AGAINST THE COLORADO PREMIUM
2 SUBSIDY PROGRAM OR TO DEFEND THE COVERAGE PROVIDED BY OR
3 THROUGH THE PROGRAM;

4 (d) ESTABLISH APPROPRIATE RATES FOR QUALIFYING INDIVIDUALS
5 WHO ARE ELIGIBLE FOR A PREMIUM SUBSIDY PURSUANT TO SECTION
6 10-16-1108, AND ANY OTHER ACTUARIAL FUNCTIONS APPROPRIATE TO THE
7 OPERATION OF THE COLORADO PREMIUM SUBSIDY PROGRAM;

8 (e) ESTABLISH PROCEDURES AND STANDARDS FOR PREMIUM
9 SUBSIDIES TO QUALIFYING INDIVIDUALS COVERED UNDER QUALIFYING
10 PLANS THE BOARD DEEMS APPROPRIATE TO ACCOMPLISH THE PURPOSES OF
11 THIS PART 11. FOR THE PURPOSES OF ADMINISTERING THE PREMIUM
12 SUBSIDIES UNDER THE COLORADO PREMIUM SUBSIDY PROGRAM, THE
13 BOARD MAY REQUEST THE SUBMITTAL OF SUCH REASONABLE
14 DOCUMENTATION BY QUALIFYING PLANS CONCERNING QUALIFYING
15 INDIVIDUALS AND BY QUALIFYING INDIVIDUALS AS IT DEEMS NECESSARY.

16 (f) OVERSEE THE ISSUANCE OF POLICIES OF INSURANCE COVERING
17 QUALIFYING INDIVIDUALS AND CERTIFICATES OR EVIDENCES OF COVERAGE
18 IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART 11;

19 (g) APPOINT APPROPRIATE LEGAL, ACTUARIAL, AND OTHER
20 COMMITTEES AS NECESSARY TO PROVIDE TECHNICAL ASSISTANCE IN THE
21 OPERATION OF THE COLORADO PREMIUM SUBSIDY PROGRAM, POLICY
22 DEVELOPMENT, AND OTHER CONTRACT DESIGN AND IN ANY OTHER
23 FUNCTION WITHIN THE AUTHORITY OF THE PROGRAM;

24 (h) BORROW MONEY TO EFFECT THE PURPOSES OF THIS PART 11;

25 (i) ESTABLISH PROCEDURES FOR THE REASONABLE ADVANCE
26 NOTICE TO INTERESTED PARTIES OF THE AGENDA FOR MEETINGS OF THE
27 BOARD;

1 (j) ACCEPT AND EXPEND GIFTS, GRANTS, AND DONATIONS FOR
2 OPERATION OF THE COLORADO PREMIUM SUBSIDY PROGRAM. MONEYS
3 FROM SUCH GIFTS, GRANTS, AND DONATIONS SHALL BE TRANSMITTED TO
4 THE STATE TREASURER AND CREDITED TO THE COLORADO PREMIUM
5 SUBSIDY PROGRAM FUND CREATED IN SECTION 10-16-1109.

6 (k) DEVELOP PROCEDURES FOR HANDLING AND ACCOUNTING FOR
7 THE FUNDS AND OTHER ASSETS OF THE COLORADO PREMIUM SUBSIDY
8 PROGRAM, INCLUDING RECORDS OF ALL FINANCIAL TRANSACTIONS AND AN
9 ANNUAL FISCAL REPORT TO THE COMMISSIONER;

10 (l) DEVELOP PROCEDURES FOR SELECTION OF AN ADMINISTERING
11 CARRIER AS PROVIDED IN SECTION 10-16-1106;

12 (m) DEVELOP PROCEDURES TO ESTABLISH AND MAINTAIN PUBLIC
13 AWARENESS OF THE COLORADO PREMIUM SUBSIDY PROGRAM, INCLUDING
14 ITS ELIGIBILITY REQUIREMENTS AND ENROLLMENT PROCEDURES;

15 (n) DEVELOP PROCEDURES TO ENSURE PUBLIC KNOWLEDGE
16 CONCERNING AVAILABILITY OF THE COLORADO PREMIUM SUBSIDY
17 PROGRAM;

18 (o) ESTABLISH REGULAR TIMES AND PLACES FOR MEETINGS OF THE
19 BOARD;

20 (p) DEVELOP PROCEDURES UNDER WHICH APPLICANTS AND
21 PARTICIPANTS CAN REPORT GRIEVANCES TO THE BOARD, WHICH
22 GRIEVANCES SHALL BE FAIRLY AND IMPARTIALLY CONSIDERED, AND
23 ADMINISTRATIVE REMEDIES FOR SUCH GRIEVANCES; AND

24 (q) ESTABLISH ANY OTHER PROVISIONS NECESSARY TO IMPLEMENT
25 THIS PART 11.

26 (2) AN APPLICANT OR PARTICIPANT REPORTING A GRIEVANCE
27 PURSUANT TO PARAGRAPH (p) OF SUBSECTION (1) OF THIS SECTION SHALL

1 EXHAUST ALL ADMINISTRATIVE REMEDIES AS SET FORTH BY THE BOARD
2 BEFORE THE GRIEVANCE MAY BE THE BASIS FOR LEGAL ACTION. THE
3 VENUE FOR ANY LEGAL ACTION INVOLVING THE COLORADO PREMIUM
4 SUBSIDY PROGRAM SHALL BE THE CITY AND COUNTY OF DENVER.
5 NOTHING IN THIS SUBSECTION (2) SHALL PROHIBIT THE BOARD FROM
6 REQUIRING BINDING ARBITRATION FOR THE FINAL ADJUDICATION OF ANY
7 GRIEVANCE.

8 (3) FOR ANY ACT PERFORMED WITHIN THE COURSE AND SCOPE OF
9 AUTHORITY UNDER THIS PART 11, THE BOARD, THE INDIVIDUAL MEMBERS
10 OF THE BOARD, AND THE EMPLOYEES AND AGENTS OF THE BOARD SHALL
11 BE ENTITLED TO THE IMMUNITY GRANTED PURSUANT TO SECTION
12 24-10-106, C.R.S., UNLESS SUCH ACT OR OMISSION CONSTITUTES WILLFUL
13 AND WANTON MISCONDUCT.

14 **10-16-1106. Administering carrier.** (1) THE ADMINISTERING
15 CARRIER SHALL PERFORM ALL ADMINISTRATIVE, ELIGIBILITY, AND CLAIMS
16 PAYMENT FUNCTIONS RELATING TO THE COLORADO PREMIUM SUBSIDY
17 PROGRAM, INCLUDING:

18 (a) ASSURING TIMELY PAYMENT OF PREMIUM SUBSIDIES TO
19 QUALIFYING INDIVIDUALS, INCLUDING:

20 (I) MAKING AVAILABLE INFORMATION RELATING TO THE PROPER
21 MANNER OF SUBMITTING CLAIMS FOR PREMIUM SUBSIDIES; AND

22 (II) EVALUATING THE ELIGIBILITY OF EACH CLAIM FOR PREMIUM
23 SUBSIDY PURSUANT TO GUIDELINES ESTABLISHED BY THE BOARD;

24 (b) SUBMITTING REGULAR REPORTS TO THE BOARD REGARDING
25 THE OPERATION OF THE PROGRAM. THE FREQUENCY, CONTENT, AND FORM
26 OF THE REPORTS SHALL BE AS DETERMINED BY THE BOARD.

27 (c) DETERMINING THE EXPENSE OF ADMINISTRATION AND THE PAID

1 AND INCURRED LOSSES FOR EACH YEAR AND REPORTING SUCH
2 INFORMATION TO THE BOARD AND THE COMMISSIONER IN A FORM AND
3 MANNER PRESCRIBED BY THE COMMISSIONER.

4 (2) THE BOARD SHALL ESTABLISH ITS OWN COMPETITIVE BIDDING
5 PROCESS TO SELECT A CARRIER OR THIRD-PARTY ADMINISTRATOR TO
6 SERVE AS THE ADMINISTERING CARRIER AND TO SELECT ONE OR MORE
7 VENDORS TO PROVIDE SERVICES THAT MAY BE NECESSARY TO ADMINISTER
8 THE COLORADO PREMIUM SUBSIDY PROGRAM. THE BOARD SHALL
9 EVALUATE BIDS SUBMITTED BASED ON THE CRITERIA IT ESTABLISHES AND
10 SHALL NOT BE SUBJECT TO THE PROVISIONS OF ARTICLE 103 OF TITLE 24,
11 C.R.S., IN MAKING SUCH SELECTIONS.

12 (3) THE ADMINISTERING CARRIER SHALL SERVE FOR A PERIOD OF
13 THREE YEARS, SUBJECT TO REMOVAL FOR CAUSE. AT LEAST ONE YEAR
14 PRIOR TO THE EXPIRATION OF THE THREE-YEAR PERIOD OF SERVICE, THE
15 BOARD SHALL INVITE ALL INTERESTED PARTIES, INCLUDING THE CURRENT
16 ADMINISTERING CARRIER, TO SUBMIT BIDS TO SERVE AS THE
17 ADMINISTERING CARRIER FOR THE REMAINING TWO YEARS OF THE
18 PROGRAM. SELECTION OF THE ADMINISTERING CARRIER FOR THE
19 REMAINING TWO YEARS SHALL BE MADE AT LEAST SIX MONTHS PRIOR TO
20 THE END OF THE INITIAL THREE-YEAR PERIOD.

21 (4) THE ADMINISTERING CARRIER SHALL BE PAID AS PROVIDED FOR
22 BY THE BOARD.

23 **10-16-1107. Program - examination - financial report.**

24 (1) NOT LATER THAN MARCH 1, 2008, AND BY MARCH 1 OF EACH
25 SUCCEEDING YEAR, THE BOARD SHALL SUBMIT AN AUDITED FINANCIAL
26 REPORT FOR THE COLORADO PREMIUM SUBSIDY PROGRAM FOR THE
27 PRECEDING CALENDAR YEAR TO THE COMMISSIONER IN A FORM PROVIDED

1 OR PRESCRIBED BY THE COMMISSIONER.

2 (2) THE FINANCIAL STATUS OF THE COLORADO PREMIUM SUBSIDY
3 PROGRAM SHALL BE SUBJECT TO EXAMINATION BY THE COMMISSIONER OR
4 THE COMMISSIONER'S DESIGNEE. SUCH EXAMINATIONS SHALL BE
5 CONDUCTED AT LEAST ONCE EVERY FIVE YEARS.

6 **10-16-1108. Colorado premium subsidy program - eligibility**
7 **for subsidy payments.** (1) THE BOARD SHALL ESTABLISH A PROGRAM
8 FOR ADMINISTERING PREMIUM SUBSIDIES FOR QUALIFIED INDIVIDUALS
9 WHO APPLY FOR COVERAGE ON OR AFTER JANUARY 1, 2007, UNDER A
10 QUALIFYING PLAN.

11 (2) THE PREMIUM SUBSIDY SHALL BE FIFTY PERCENT OF THE
12 PREMIUM FOR THE QUALIFYING PLAN, NOT TO EXCEED ONE HUNDRED
13 DOLLARS PER MONTH PER QUALIFYING INDIVIDUAL.

14 (3) PREMIUM SUBSIDIES SHALL BE PAID FROM THE COLORADO
15 PREMIUM SUBSIDY PROGRAM FUND TO THE CARRIER PROVIDING A
16 QUALIFYING PLAN TO THE QUALIFYING INDIVIDUAL. IF THE QUALIFYING
17 INDIVIDUAL IS ENROLLED IN A QUALIFYING PLAN AS DESCRIBED IN SECTION
18 10-16-1102 (5) (a) (I), THE QUALIFYING INDIVIDUAL SHALL PAY THE
19 ENTIRE PREMIUM TO THE CARRIER, AND THE PREMIUM SUBSIDY SHALL BE
20 PAID DIRECTLY TO THE QUALIFYING INDIVIDUAL'S HEALTH SAVINGS
21 ACCOUNT.

22 (4) (a) THE BOARD SHALL DETERMINE THE TOTAL PREMIUM
23 SUBSIDIES FOR THE CALENDAR YEAR FOR WHICH SUBSIDIES ARE PAID.

24 (b) IF THE FUNDS AVAILABLE FOR DISTRIBUTION FOR PREMIUM
25 SUBSIDIES PAID DURING A CALENDAR YEAR EXCEED THE TOTAL AMOUNT
26 OF SUBSIDIES DURING THAT SAME CALENDAR YEAR, ANY EXCESS FUNDS
27 SHALL BE CARRIED FORWARD AND MADE AVAILABLE FOR DISTRIBUTION IN

1 THE NEXT CALENDAR YEAR.

2 (c) UPON THE REQUEST OF THE BOARD, THE QUALIFYING PLAN
3 CARRIER SHALL BE REQUIRED TO FURNISH DATA THE BOARD DEEMS
4 NECESSARY TO OVERSEE THE OPERATION OF THE COLORADO PREMIUM
5 SUBSIDY PROGRAM. THE DATA SHALL BE FURNISHED IN A FORM
6 PRESCRIBED BY THE BOARD. THE CARRIER SHALL PROVIDE THE BOARD
7 WITH MONTHLY REPORTS OF THE TOTAL ENROLLMENT IN THE QUALIFYING
8 PLAN. THE REPORTS SHALL BE IN A FORM PRESCRIBED BY THE BOARD.

9 (d) THE BOARD SHALL SEPARATELY ESTIMATE THE PER-INSURED
10 ANNUAL COST OF ALL SUBSIDIES FOR QUALIFYING PLANS BASED UPON
11 AVAILABLE DATA AND APPROPRIATE ACTUARIAL ASSUMPTIONS.

12 (e) THE BOARD SHALL DETERMINE THE TOTAL ELIGIBLE
13 ENROLLMENT UNDER QUALIFYING PLANS. THE TOTAL ELIGIBLE
14 ENROLLMENT SHALL BE DETERMINED BY DIVIDING THE AMOUNT OF
15 MONEYS AVAILABLE FOR DISTRIBUTION FROM THE COLORADO PREMIUM
16 SUBSIDY PROGRAM FUND FOR PREMIUM SUBSIDIES BY THE ESTIMATED
17 PER-INSURED ANNUAL COST OF ALL PREMIUM SUBSIDIES FROM THE
18 PROGRAM FUND.

19 (f) THE BOARD SHALL SUSPEND THE ENROLLMENT OF NEW
20 INSUREDS IN QUALIFYING PLANS IF IT DETERMINES THAT THE TOTAL
21 ENROLLMENT REPORTED BY CARRIERS EXCEEDS THE TOTAL ELIGIBLE
22 ENROLLMENT, THEREBY RESULTING IN ANTICIPATED ANNUAL
23 EXPENDITURES FROM THE COLORADO PREMIUM SUBSIDY PROGRAM FUND
24 IN EXCESS OF THE MONEYS AVAILABLE FOR DISTRIBUTION.

25 (g) IF, AT ANY POINT DURING A SUSPENSION OF ENROLLMENT, THE
26 BOARD DETERMINES THAT FUNDS ARE SUFFICIENT TO PROVIDE FOR THE
27 ADDITION OF NEW ENROLLMENTS, THE BOARD MAY AGAIN ACCEPT NEW

1 ENROLLMENTS.

2 (h) THE SUSPENSION OF ENROLLMENT IN QUALIFYING PLANS SHALL
3 NOT PRECLUDE THE ADDITION OF NEW DEPENDENTS OF INDIVIDUALS
4 ALREADY COVERED UNDER SUCH PLANS.

5 **10-16-1109. Colorado premium subsidy program fund -**
6 **creation.** (1) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY
7 THE COLORADO PREMIUM SUBSIDY PROGRAM FUND. THE FUND SHALL
8 CONSIST OF MONEYS CREDITED THERETO PURSUANT TO THIS PART 11.

9 (b) IN FISCAL YEAR 2005-06, AND EACH OF THE FOUR FISCAL
10 YEARS THEREAFTER, IF THE MOST RECENT LEGISLATIVE COUNCIL STAFF
11 ECONOMIC AND REVENUE FORECAST ESTIMATES THAT THE GENERAL FUND
12 EXEMPT ACCOUNT, CREATED IN SECTION 24-77-103.6 (2), C.R.S., WILL
13 RECEIVE MORE THAN ONE HUNDRED FIFTEEN MILLION DOLLARS, FIFTEEN
14 MILLION DOLLARS OF THE MONEYS IN THE GENERAL FUND EXEMPT
15 ACCOUNT SHALL BE APPROPRIATED TO THE COLORADO PREMIUM SUBSIDY
16 PROGRAM FUND CREATED IN THIS SUBSECTION (1).

17 (c) ALL MONEYS APPROPRIATED TO THE COLORADO PREMIUM
18 SUBSIDY PROGRAM FUND SHALL BE USED AS PROVIDED IN THIS PART 11
19 AND SHALL NOT BE DEPOSITED IN OR TRANSFERRED TO THE GENERAL FUND
20 OF THIS STATE OR TO ANY OTHER FUND. NOTWITHSTANDING ANY
21 PROVISION OF SECTION 24-36-114, C.R.S., TO THE CONTRARY, ALL
22 INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN
23 THE PROGRAM FUND SHALL BE CREDITED TO THE PROGRAM FUND.

24 (2) (a) OF THE MONEYS IN THE COLORADO PREMIUM SUBSIDY
25 PROGRAM FUND, NO MORE THAN FIVE PERCENT SHALL BE USED FOR
26 PROGRAM ADMINISTRATIVE COSTS, INCLUDING ADMINISTRATIVE COSTS OF
27 THE DIVISION OF INSURANCE.

1 (b) THE MONEYS REMAINING IN THE COLORADO PREMIUM SUBSIDY
2 PROGRAM FUND AFTER THE PAYMENT OF PROGRAM ADMINISTRATIVE
3 COSTS SHALL BE USED FOR PREMIUM SUBSIDY PAYMENTS UNDER SECTION
4 10-16-1108.

5 **SECTION 2. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.