

Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO

REREVISED

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

LLS NO. 06-0148.01 Christy Chase

SENATE BILL 06-035

SENATE SPONSORSHIP

Hagedorn,

HOUSE SPONSORSHIP

McGihon,

Senate Committees
Health and Human Services

House Committees
Health and Human Services

HOUSE
3rd Reading Unamended
April 12, 2006

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, AND, IN CONNECTION THEREWITH,**
104 **REFERRING STUDY OF CREATION OF THE PROGRAM TO THE**
105 **HEALTH CARE TASK FORCE.**

HOUSE
2nd Reading Unamended
April 11, 2006

SENATE
3rd Reading Unamended
March 20, 2006

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

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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.

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:

- 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. 10-16-221, Colorado Revised Statutes, is amended**

3 **BY THE ADDITION OF A NEW SUBSECTION to read:**

4 **10-16-221. Health care task force - creation - duties - repeal.**

5 **(2.5) THE TASK FORCE SHALL CONSIDER DURING THE 2006 INTERIM**

6 **ISSUES RAISED BY SENATE BILL 06-035 AS INTRODUCED IN THE SECOND**

7 **REGULAR SESSION OF THE SIXTY-FIFTH GENERAL ASSEMBLY.**

8 **SECTION 2. Safety clause. The general assembly hereby finds,**

9 **determines, and declares that this act is necessary for the immediate**

10 **preservation of the public peace, health, and safety.**