

**NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**

# An Act

SENATE BILL 07-004

BY SENATOR(S) Shaffer, Williams, Boyd, Fitz-Gerald, Gordon, Groff, Hagedorn, Keller, Mitchell S., Morse, Sandoval, Spence, Tochtrop, Tupa, Ward, and Windels;  
also REPRESENTATIVE(S) Todd, Solano, Benefield, Borodkin, Carroll M., Jahn, Kefalas, Massey, McGihon, Stafford, and Stephens.

CONCERNING A COORDINATED SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES FOR CHILDREN ELIGIBLE FOR BENEFITS UNDER PART C OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", AND, IN CONNECTION THEREWITH, REQUIRING THE DEPARTMENT OF HUMAN SERVICES TO DEVELOP A COORDINATED PAYMENT SYSTEM, REQUIRING COVERAGE OF EARLY INTERVENTION SERVICES BY PUBLIC MEDICAL ASSISTANCE AND PRIVATE HEALTH INSURANCE, AND MAKING AN APPROPRIATION.

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

**SECTION 1.** Article 10.5 of title 27, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

PART 7  
COORDINATED SYSTEM OF PAYMENT FOR  
EARLY INTERVENTION SERVICES  
FOR INFANTS AND TODDLERS

**27-10.5-701. Legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS THAT:

(a) THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION, WHICH IS THE SUCCESSOR OF THE CHILD CARE COMMISSION, WAS CREATED IN THE 2004 LEGISLATIVE SESSION IN ORDER TO STUDY, REVIEW, AND EVALUATE THE DEVELOPMENT OF PLANS FOR CREATING A COMPREHENSIVE EARLY CHILDHOOD SYSTEM.

(b) THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION HAS EXTENSIVELY STUDIED AND EVALUATED ISSUES REGARDING EARLY INTERVENTION SERVICES FOR INFANTS AND TODDLERS WHO HAVE DELAYS IN DEVELOPMENT AND HAS LEARNED THAT THERE IS NO COORDINATED SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES, RESULTING IN THE PROVISION OF DISJUNCTIVE OR INTERRUPTED SERVICES TO ELIGIBLE CHILDREN AND INADEQUATE REIMBURSEMENT OF EARLY INTERVENTION SERVICE PROVIDERS.

(c) THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION ALSO WAS INFORMED THAT MANY ELIGIBLE CHILDREN ARE COVERED AS DEPENDENTS BY THEIR PARENTS' HEALTH CARE PLANS, BUT SOME OF THE PLANS MAY DENY BENEFITS FOR EARLY INTERVENTION SERVICES, THEREBY ELIMINATING A SOURCE OF PRIVATE FUNDS FOR THE PAYMENT OF EARLY INTERVENTION SERVICES.

(d) PURSUANT TO PART C OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", 20 U.S.C. SEC. 1400 ET SEQ., AS AMENDED, THERE IS AN URGENT AND SUBSTANTIAL NEED TO FACILITATE THE COORDINATION OF PAYMENT FOR EARLY INTERVENTION SERVICES FROM FEDERAL, STATE, LOCAL, AND PRIVATE SOURCES, INCLUDING PUBLIC MEDICAL ASSISTANCE AND PRIVATE INSURANCE COVERAGE.

(e) THE LONGER A CHILD'S DEVELOPMENTAL DELAYS ARE NOT ADDRESSED, THE MORE DEVELOPMENTAL DIFFICULTIES THE CHILD WILL EXPERIENCE IN THE FUTURE, THE LESS PREPARED THE CHILD WILL BE FOR

SCHOOL, THE MORE SPECIAL EDUCATION NEEDS THE CHILD IS LIKELY TO HAVE, AND THE MORE COSTLY THOSE PROBLEMS WILL BE TO ADDRESS.

(f) COLORADO'S SYSTEM FOR PROVIDING EARLY INTERVENTION SERVICES TO ELIGIBLE INFANTS AND TODDLERS UP TO THEIR THIRD BIRTHDAY WITH SIGNIFICANT DEVELOPMENTAL DISABILITIES AND DELAYS RELIES ON MULTIPLE SOURCES OF FUNDING.

(g) EXISTING LEVELS OF LOCAL, STATE, FEDERAL, AND PRIVATE FUNDING MAY BE MORE EFFICIENTLY USED, MORE CHILDREN MAY BE SERVED, AND A HIGHER QUALITY OF SERVICES MAY BE PROVIDED IF THE EXISTING EARLY INTERVENTION SYSTEM IS MODIFIED TO CREATE A MORE COHERENT AND COORDINATED SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES.

**27-10.5-702. Definitions.** AS USED IN THIS PART 7, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CARRIER" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 10-16-102 (8), C.R.S.

(2) "CERTIFIED EARLY INTERVENTION SERVICE BROKER" OR "BROKER" MEANS A COMMUNITY CENTERED BOARD OR OTHER ENTITY DESIGNATED BY THE DEPARTMENT TO PERFORM THE DUTIES AND FUNCTIONS SPECIFIED IN SECTION 27-10.5-705 IN A PARTICULAR DESIGNATED SERVICE AREA. NOTWITHSTANDING SECTION 27-10.5-104 (4), IF THE DEPARTMENT IS UNABLE TO DESIGNATE A COMMUNITY CENTERED BOARD OR OTHER ENTITY TO SERVE AS THE BROKER FOR A PARTICULAR DESIGNATED SERVICE AREA, THE DEPARTMENT SHALL SERVE AS THE BROKER FOR THE DESIGNATED SERVICE AREA AND MAY CONTRACT DIRECTLY WITH EARLY INTERVENTION SERVICE PROVIDERS TO PROVIDE EARLY INTERVENTION SERVICES TO ELIGIBLE CHILDREN IN THE DESIGNATED SERVICE AREA.

(3) "COORDINATED SYSTEM OF PAYMENT" MEANS THE POLICIES AND PROCEDURES DEVELOPED BY THE DEPARTMENT, IN COOPERATION WITH THE DEPARTMENTS OF EDUCATION, HEALTH CARE POLICY AND FINANCING, AND PUBLIC HEALTH AND ENVIRONMENT, THE DIVISION OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES, PRIVATE HEALTH INSURANCE CARRIERS, AND CERTIFIED EARLY INTERVENTION SERVICE BROKERS, TO ENSURE THAT AVAILABLE PUBLIC AND PRIVATE SOURCES OF FUNDS TO PAY

FOR EARLY INTERVENTION SERVICES FOR ELIGIBLE CHILDREN ARE ACCESSED AND UTILIZED IN AN EFFICIENT MANNER.

(4) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN SERVICES.

(5) "EARLY INTERVENTION SERVICES" MEANS SERVICES AS DEFINED BY THE DEPARTMENT IN ACCORDANCE WITH PART C THAT ARE AUTHORIZED THROUGH AN ELIGIBLE CHILD'S IFSP. EARLY INTERVENTION SERVICES, AS SPECIFIED IN AN ELIGIBLE CHILD'S IFSP, SHALL QUALIFY AS MEETING THE STANDARD FOR MEDICALLY NECESSARY SERVICES AS USED BY PRIVATE HEALTH INSURANCE AND AS USED BY PUBLIC MEDICAL ASSISTANCE, TO THE EXTENT ALLOWED PURSUANT TO SECTION 25.5-1-124, C.R.S.

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

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

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

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

(10) "PUBLIC MEDICAL ASSISTANCE" MEANS MEDICAL SERVICES THAT ARE PROVIDED BY THE STATE THROUGH THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S., OR THE

"CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., OR OTHER PUBLIC MEDICAL ASSISTANCE FUNDING SOURCES TO QUALIFYING INDIVIDUALS.

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

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

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

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

(b) ESTABLISHING AN INTERAGENCY OPERATING AGREEMENT BETWEEN THE DEPARTMENT AND THE DEPARTMENTS OF EDUCATION, HEALTH CARE POLICY AND FINANCING, AND PUBLIC HEALTH AND ENVIRONMENT REGARDING THE RESPONSIBILITIES OF EACH DEPARTMENT TO ASSIST IN THE DEVELOPMENT AND IMPLEMENTATION OF A STATEWIDE, COMPREHENSIVE SYSTEM OF EARLY INTERVENTION SERVICES AND A COORDINATED SYSTEM OF PAYMENTS FOR EARLY INTERVENTION SERVICES;

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

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

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

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

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

(4) IN DEVELOPING A COORDINATED SYSTEM OF PAYMENT, THE DEPARTMENT SHALL NOT DIRECTLY OR INDIRECTLY CREATE A NEW ENTITLEMENT FOR EARLY INTERVENTION SERVICES FUNDED FROM THE GENERAL FUND. HOWEVER, THIS SUBSECTION (4) SHALL NOT PROHIBIT ANY ADJUSTMENTS TO PUBLIC MEDICAL ASSISTANCE REQUIRED BY SECTION 25.5-1-124, C.R.S.

**27-10.5-704. Cooperation among state agencies - implementing coordinated payment system - revisions to rules.** (1) THE DEPARTMENTS OF EDUCATION, HEALTH CARE POLICY AND FINANCING, AND PUBLIC HEALTH AND ENVIRONMENT SHALL COOPERATE WITH THE DEPARTMENT TO IMPLEMENT THE PROVISIONS OF THIS PART 7 AND SHALL:

(a) ASSIGN A REPRESENTATIVE IN ACCORDANCE WITH PART C TO

ADVISE AND ASSIST THE DEPARTMENT IN THE DEVELOPMENT AND IMPLEMENTATION OF THE EARLY INTERVENTION SYSTEM;

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

(c) USE UNIFORM FORMS AND PROCEDURES FOR BILLING THE COSTS OF EARLY INTERVENTION SERVICES TO PUBLIC MEDICAL ASSISTANCE, AS SPECIFIED IN THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S., OR THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., AS APPROPRIATE, AND PRIVATE HEALTH INSURANCE, AS SPECIFIED IN PART 1 OF ARTICLE 16 OF TITLE 10, C.R.S.;

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

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

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

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

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

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

(c) NEGOTIATE FOR THE PAYMENT OF EARLY INTERVENTION SERVICES PROVIDED TO ELIGIBLE CHILDREN IN THE DESIGNATED SERVICE AREA BY QUALIFIED PROVIDERS, TO THE EXTENT PERMISSIBLE UNDER FEDERAL LAW;

(d) ENSURE PAYMENT AT THE TO A QUALIFIED PROVIDER FOR EARLY INTERVENTION SERVICES RENDERED BY THE QUALIFIED PROVIDER.

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

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

(4) USE OF A CERTIFIED EARLY INTERVENTION BROKER IS VOLUNTARY, AND NOTHING IN THIS PART 7 SHALL PROHIBIT A QUALIFIED PROVIDER OF EARLY INTERVENTION SERVICES FROM DIRECTLY BILLING THE APPROPRIATE PROGRAM OF PUBLIC MEDICAL ASSISTANCE OR A PARTICIPATING PROVIDER, AS DEFINED IN SECTION 10-16-102 (28.5), C.R.S., FROM DIRECTLY BILLING A PRIVATE HEALTH INSURANCE CARRIER FOR SERVICES RENDERED UNDER THIS PART 7.

(5) TO THE EXTENT REQUESTED BY THE DEPARTMENT, CERTIFIED EARLY INTERVENTION SERVICE BROKERS SHALL PARTICIPATE IN ONGOING



REVIEWS OF FUNDING PRACTICES FOR EARLY INTERVENTION SERVICES AND THE DEVELOPMENT OR REVISION OF PROCEDURES FOR A COORDINATED SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES.

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

(2) (a) IF A PRIVATE HEALTH INSURANCE CARRIER NEGOTIATES TO MAKE PAYMENTS OF BENEFITS FOR AN ELIGIBLE CHILD TO THE DEPARTMENT IN TRUST, THOSE MONEYS SHALL BE DEPOSITED IN THE EARLY INTERVENTION SERVICES TRUST FUND, WHICH TRUST FUND IS HEREBY CREATED IN THE STATE TREASURY. EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (2), THE PRINCIPAL OF THE TRUST FUND SHALL ONLY BE USED TO PAY CERTIFIED EARLY INTERVENTION SERVICE BROKERS OR QUALIFIED EARLY INTERVENTION SERVICE PROVIDERS FOR EARLY INTERVENTION SERVICES PROVIDED TO THE ELIGIBLE CHILD FOR WHOM THE MONEYS WERE PAID TO THE DEPARTMENT IN TRUST BY THE PRIVATE HEALTH INSURANCE CARRIER. EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (2), THE PRINCIPAL OF THE TRUST FUND SHALL NOT CONSTITUTE STATE FISCAL YEAR SPENDING FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, AND SUCH MONEYS SHALL BE DEEMED CUSTODIAL FUNDS THAT ARE NOT SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY.

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

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

(c) WITHIN SIXTY DAYS AFTER THE DEPARTMENT DETERMINES THAT A CHILD IS NO LONGER AN ELIGIBLE CHILD FOR PURPOSES OF SECTION 10-16-104(1.3), C.R.S., THE DEPARTMENT SHALL NOTIFY THE CARRIER THAT THE CHILD IS NO LONGER ELIGIBLE AND THAT THE CARRIER IS NO LONGER REQUIRED TO PROVIDE THE COVERAGE REQUIRED BY SAID SECTION FOR THAT CHILD. ANY MONEYS DEPOSITED IN THE TRUST FUND ON BEHALF OF AN ELIGIBLE CHILD THAT ARE NOT EXPENDED ON BEHALF OF THE CHILD BEFORE THE CHILD BECOMES INELIGIBLE SHALL BE RETURNED TO THE CARRIER THAT MADE THE PAYMENTS IN TRUST FOR THE CHILD.

(3) NO LATER THAN MARCH 1, 2009, AND NO LATER THAN MARCH 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL PROVIDE A REPORT TO EACH PRIVATE HEALTH INSURANCE CARRIER THAT HAS MADE PAYMENTS OF BENEFITS FOR AN ELIGIBLE CHILD TO THE DEPARTMENT IN TRUST. THE REPORT SHALL SPECIFY THE TOTAL AMOUNT OF BENEFITS PAID TO BROKERS OR QUALIFIED PROVIDERS FOR SERVICES PROVIDED TO THE ELIGIBLE CHILD DURING THE PRIOR CALENDAR YEAR, INCLUDING THE AMOUNT PAID TO EACH BROKER OR QUALIFIED PROVIDER AND THE SERVICES PROVIDED TO THE ELIGIBLE CHILD. THE REPORT REQUIRED BY THIS SUBSECTION (3) SHALL BE PROVIDED AT LEAST ANNUALLY AND MORE OFTEN, AS DETERMINED BY THE DEPARTMENT AND THE CARRIER.

**27-10.5-707. Annual report - cooperation from certified early intervention service brokers and qualified providers.** (1) BY NOVEMBER 1, 2008, AND BY EACH NOVEMBER 1 THEREAFTER, THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY REGARDING THE VARIOUS FUNDING SOURCES USED FOR EARLY INTERVENTION SERVICES, THE NUMBER OF ELIGIBLE CHILDREN SERVED, THE AVERAGE COST OF EARLY INTERVENTION SERVICES, AND ANY OTHER INFORMATION THE DEPARTMENT DEEMS APPROPRIATE. THE REPORT SHALL BE SUBMITTED TO THE JOINT BUDGET COMMITTEE AS PART OF THE DEPARTMENT'S ANNUAL BUDGET REQUEST. THE DEPARTMENT SHALL ALSO SUBMIT THE REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEES

AND THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, AND TO THE EARLY CHILDHOOD AND SCHOOL READINESS COMMISSION CREATED IN PART 3 OF ARTICLE 6 OF TITLE 26, C.R.S., OR ITS SUCCESSOR COMMISSION.

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

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

**25.5-1-124. Early intervention payment system - participation by state department.** (1) THE STATE DEPARTMENT SHALL PARTICIPATE IN THE DEVELOPMENT AND IMPLEMENTATION OF THE COORDINATED SYSTEM OF PAYMENT FOR EARLY INTERVENTION SERVICES AUTHORIZED PURSUANT TO PART 7 OF ARTICLE 10.5 OF TITLE 27, C.R.S., AND PART C OF THE FEDERAL "INDIVIDUALS WITH DISABILITIES EDUCATION ACT", 20 U.S.C. SEC. 1400 ET SEQ., AS AMENDED.

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

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

OF ARTICLE 10.5 OF TITLE 27, C.R.S.

(4) FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE STATE DEPARTMENT FOR THE ADMINISTRATION OF THIS SECTION THE LESSER OF THIRTY-ONE THOUSAND FOUR HUNDRED TWENTY-THREE DOLLARS OR THREE AND ONE-TENTH PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY. FOR THE 2008-09 AND 2009-10 FISCAL YEARS, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE STATE DEPARTMENT FOR THE ADMINISTRATION OF THIS SECTION THE LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED EIGHTY-FOUR DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

(5) (a) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "EARLY INTERVENTION SERVICES" MEANS THOSE SERVICES DEFINED AS EARLY INTERVENTION SERVICES BY THE DEPARTMENT OF HUMAN SERVICES IN ACCORDANCE WITH SECTION 27-10.5-702 (5), C.R.S., THAT ARE DETERMINED, THROUGH NEGOTIATION BETWEEN THE STATE DEPARTMENT AND THE DEPARTMENT OF HUMAN SERVICES, TO BE MEDICALLY NECESSARY UNDER MEDICAL ASSISTANCE AND COST-EFFECTIVE. AFTER NEGOTIATING THE SCOPE OF EARLY INTERVENTION SERVICES TO BE COVERED UNDER MEDICAL ASSISTANCE, THE STATE DEPARTMENT AND THE DEPARTMENT OF HUMAN SERVICES SHALL SUBMIT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, AS PART OF EACH DEPARTMENT'S ANNUAL BUDGET REQUEST, A PROPOSAL FOR THE SCOPE OF COVERAGE OF EARLY INTERVENTION SERVICES UNDER MEDICAL ASSISTANCE, INCLUDING THE ANTICIPATED COSTS OF SUCH COVERAGE AND WHETHER THE PAYMENT OF SUCH COSTS THROUGH MEDICAL ASSISTANCE IS COST-EFFECTIVE.

(b) "EARLY INTERVENTION SERVICES" SHALL NOT INCLUDE THE

FOLLOWING:

(I) NONEMERGENCY MEDICAL TRANSPORTATION;

(II) RESPITE CARE;

(III) SERVICE COORDINATION, AS DEFINED IN 34 CFR 303.12 (d) (11); AND

(IV) (A) ASSISTIVE TECHNOLOGY.

(B) THE EXCLUSION OF ASSISTIVE TECHNOLOGY SHALL NOT APPLY TO DURABLE MEDICAL EQUIPMENT THAT IS OTHERWISE COVERED UNDER THE CHILDREN'S BASIC HEALTH PLAN, AS DEFINED IN SECTION 25.5-8-103 (2).

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

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

(1.3) **Early intervention services.** (a) AS USED IN THIS SUBSECTION (1.3), UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

(III) "ELIGIBLE CHILD" MEANS AN INFANT OR TODDLER, FROM BIRTH UP TO THE CHILD'S THIRD BIRTHDAY, WHO IS AN ELIGIBLE DEPENDENT AND WHO, AS DEFINED BY THE DIVISION PURSUANT TO SECTION 27-10.5-702 (6), C.R.S., HAS SIGNIFICANT DELAYS IN DEVELOPMENT OR HAS A DIAGNOSED

PHYSICAL OR MENTAL CONDITION THAT HAS A HIGH PROBABILITY OF RESULTING IN SIGNIFICANT DELAYS IN DEVELOPMENT OR WHO IS ELIGIBLE FOR SERVICES PURSUANT TO SECTION 27-10.5-102 (11) (c).

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

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

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

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

(II) THE COVERAGE REQUIRED BY THIS SUBSECTION (1.3) SHALL BE AVAILABLE ANNUALLY TO AN ELIGIBLE CHILD FROM BIRTH UP TO THE CHILD'S THIRD BIRTHDAY AND SHALL BE LIMITED TO FIVE THOUSAND SEVEN HUNDRED TWENTY-FIVE DOLLARS, INCLUDING CASE MANAGEMENT COSTS, FOR EARLY INTERVENTION SERVICES FOR EACH DEPENDENT CHILD PER CALENDAR OR POLICY YEAR. FOR POLICIES OR CONTRACTS ISSUED OR RENEWED ON OR AFTER JANUARY 1, 2009, AND ON OR AFTER EACH JANUARY

1 THEREAFTER, THE LIMIT SHALL BE ADJUSTED BY THE DIVISION BASED ON THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER-GREELEY METROPOLITAN STATISTICAL AREA FOR THE STATE FISCAL YEAR THAT ENDS IN THE PRECEDING CALENDAR YEAR.

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

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

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

(B) SERVICES PROVIDED TO A CHILD WHO IS NOT PARTICIPATING IN PART C AND SERVICES THAT ARE NOT PROVIDED PURSUANT TO AN IFSP. HOWEVER, SUCH SERVICES SHALL BE COVERED AT THE LEVEL SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (1.7) OF THIS SECTION.

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

(I) SHORT-TERM, ACCIDENT, FIXED INDEMNITY, OR SPECIFIED DISEASE POLICIES, DISABILITY INCOME CONTRACTS, LIMITED BENEFIT HEALTH INSURANCE, AS DEFINED BY THE COMMISSIONER BY RULE, CREDIT DISABILITY INSURANCE, OR A MEDICARE SUPPLEMENT POLICY, AS DEFINED IN SECTION 10-18-101 (4);

(II) WORKERS' COMPENSATION OR SIMILAR INSURANCE;

(III) AUTOMOBILE MEDICAL PAYMENT INSURANCE OR INSURANCE

UNDER WHICH BENEFITS ARE PAYABLE WITH OR WITHOUT REGARD TO FAULT AND REQUIRED BY LAW TO BE CONTAINED IN ANY LIABILITY INSURANCE POLICY OR EQUIVALENT SELF-INSURANCE.

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

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

(e) WITHIN SIXTY DAYS AFTER THE DIVISION DETERMINES THAT A CHILD IS NO LONGER AN ELIGIBLE CHILD FOR PURPOSES OF THIS SUBSECTION (1.3), THE DIVISION SHALL NOTIFY THE CARRIER THAT THE CHILD IS NO LONGER ELIGIBLE AND THAT THE CARRIER IS NO LONGER REQUIRED TO PROVIDE THE COVERAGE REQUIRED BY THIS SUBSECTION (1.3) FOR THAT CHILD.

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

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

**SECTION 4.** 10-16-105 (5) (g) (I), Colorado Revised Statutes, is amended to read:

**10-16-105. Small group sickness and accident insurance - guaranteed issue - mandated provisions for basic health benefit plans**



**- rules - benefit design advisory committee - repeal.** (5) Each small group sickness and accident insurer or other entity shall make reasonable disclosure in solicitation and sales materials provided to small employers the following information in a form and manner prescribed by the commissioner and upon request of any such small employer shall provide such information in detail:

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

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

**25.5-8-105. Trust and supplemental settlement moneys account - created.** (3) (b) Pursuant to section 24-75-1104.5 (1.5) (a) (V), C.R.S., beginning in the 2007-08 fiscal year and each fiscal year thereafter so long as the state receives moneys pursuant to the master settlement agreement, the state treasurer shall transfer to the supplemental tobacco litigation settlement moneys account of the trust five percent of the portion of the moneys annually received by the state pursuant to the master settlement agreement, not including attorney fees and costs, during the preceding fiscal year that remains after the programs, services, and funds that receive such moneys pursuant to section 24-75-1104.5 (1), C.R.S., have been fully funded. FOR THE 2007-08 FISCAL YEAR, THE STATE TREASURER SHALL TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE ACCOUNT THE LESSER OF TWENTY-TWO THOUSAND THREE HUNDRED SEVEN DOLLARS OR TWO AND TWO-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR

PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY. FOR THE 2008-09 AND 2009-10 FISCAL YEARS, THE STATE TREASURER SHALL TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND CREATED IN SECTION 25-36-101, C.R.S., TO THE ACCOUNT THE LESSER OF TWENTY-NINE THOUSAND FIVE HUNDRED FIFTEEN DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

**SECTION 6.** 25-36-101, Colorado Revised Statutes, as enacted by Senate Bill 07-097, enacted at the First Regular Session of the Sixty-sixth General Assembly, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

**25-36-101. Short-term grants for innovative health programs - grant fund - creation.** (5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR THE 2007-08 FISCAL YEAR, THE STATE TREASURER SHALL TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION 25.5-8-105, C.R.S., FOR THE PURPOSES OF THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., THE LESSER OF TWENTY-TWO THOUSAND THREE HUNDRED SEVEN DOLLARS OR TWO AND TWO-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR THE 2008-09 AND 2009-10 FISCAL YEARS, THE STATE TREASURER SHALL TRANSFER FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE SUPPLEMENTAL TOBACCO LITIGATION SETTLEMENT MONEYS ACCOUNT OF THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION 25.5-8-105, C.R.S., FOR THE PURPOSES OF THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE 8 OF TITLE 25.5, C.R.S., THE LESSER OF TWENTY-NINE THOUSAND FIVE HUNDRED FIFTEEN DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL

YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

(6) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE ADMINISTRATION OF SECTION 25.5-1-124, C.R.S., THE LESSER OF THIRTY-ONE THOUSAND FOUR HUNDRED TWENTY-THREE DOLLARS OR THREE AND ONE-TENTH PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR THE 2008-09 AND 2009-10 FISCAL YEARS, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE OFFICE OF THE EXECUTIVE DIRECTOR IN THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR THE ADMINISTRATION OF SECTION 25.5-1-124, C.R.S., THE LESSER OF TWENTY-NINE THOUSAND SEVEN HUNDRED EIGHTY-FOUR DOLLARS OR ONE AND FOUR-TENTHS PERCENT OF THE AMOUNT ALLOCATED TO THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND FOR THE FISCAL YEAR PURSUANT TO SECTION 24-75-1104.5 (1.5) (a) (IX), C.R.S., ENACTED BY SENATE BILL 07-097 AT THE FIRST REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY.

**SECTION 7. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the short-term innovative health program grant fund created pursuant to section 25-36-101 (2), Colorado Revised Statutes, enacted by Senate Bill 07-097 at the first regular session of the sixty-sixth general assembly, not otherwise appropriated, to the department of health care policy and financing, executive director's office, the sum of thirty-one thousand four hundred twenty-three dollars (\$31,423) and 1.0 FTE, or so much thereof as may be necessary, for implementation of this act. In addition to said appropriation, the general assembly anticipates that, for the fiscal year beginning July 1, 2007, the department of health care policy and financing will receive the sum of thirty-one thousand four hundred twenty-three dollars (\$31,423) in federal funds for the implementation of this act. Although the federal funds

are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds in developing state appropriation amounts.

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

(3) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, indigent care program, for children's basic health plan premium costs, for the fiscal year beginning July 1, 2007, the sum of fifty-nine thousand seven hundred thirty-four dollars (\$59,734), or so much thereof as may be necessary, for the implementation of this act. Of said sum, twenty thousand nine hundred seven dollars (\$20,907) shall be cash funds exempt from the supplemental tobacco litigation settlement account in the children's basic health plan trust, created pursuant to section 25.5-8-105 (1), Colorado Revised Statutes, enacted by Senate Bill 07-097 at the first regular session of the sixty-sixth general assembly, and thirty-eight thousand eight hundred twenty-seven dollars (\$38,827) shall be from federal funds.

(4) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the early intervention services trust fund, created pursuant to section 27-10.5-706 (2) (a), Colorado Revised Statutes, to the department of human services, office of operations, the sum of fifty-three thousand nine hundred twenty dollars (\$53,920) cash funds and 1.0 FTE, or so much thereof as may be necessary, for implementation of this act. In addition to said appropriation, the general assembly anticipates that, for the fiscal year beginning July 1, 2007, the department of human services will receive the sum of two million eight hundred eight thousand five hundred eighty dollars (\$2,808,580) cash funds exempt custodial funds, for early intervention services, from the early intervention services trust

fund created pursuant to section 27-10.5-706 (2) (a), Colorado Revised Statutes. Although the cash funds exempt custodial funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds in developing state appropriation amounts.

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

**SECTION 8.** Section 14 (5) (c) of Senate Bill 07-097, enacted at the First Regular Session of the Sixty-sixth General Assembly, is amended to read:

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

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

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

**SECTION 10. 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.

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Joan Fitz-Gerald  
PRESIDENT OF  
THE SENATE

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Andrew Romanoff  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

---

Karen Goldman  
SECRETARY OF  
THE SENATE

---

Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

---

Bill Ritter, Jr.  
GOVERNOR OF THE STATE OF COLORADO