

Second Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**REREVISED**

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

LLS NO. 08-1075.01 Christy Chase

**SENATE BILL 08-217**

**SENATE SPONSORSHIP**

**Hagedorn**, and Johnson

**HOUSE SPONSORSHIP**

**McGihon and Massey**, and Roberts

**Senate Committees**

Health and Human Services  
Appropriations

**House Committees**

Health and Human Services  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING THE FRAMEWORK FOR DEVELOPING THE CENTENNIAL**  
102 **CARE CHOICES PROGRAM TO REFORM THE HEALTH CARE**  
103 **SYSTEM IN COLORADO, AND MAKING AN APPROPRIATION**  
104 **THEREFOR.**

**Bill Summary**

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

Authorizes the creation of the centennial care choices program (program) to reduce the state's uninsured population and improve access to affordable health care, after the following occurs:

! By January 2, 2009, the state department of health care

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  
Am ended 3rd Reading  
May 2, 2008

HOUSE  
Am ended 2nd Reading  
May 1, 2008

SENATE  
3rd Reading Unam ended  
April 22, 2008

SENATE  
Am ended 2nd Reading  
April 21, 2008

policy and financing (state department), in coordination with the division of insurance (division) in the department of regulatory agencies and a panel of expert advisors (panel), issues a request for proposals to health insurance companies for the development of value benefit plans (VBPs);

- ! Proposals for VBPs are submitted to the state department by August 1, 2009;
- ! The state department, division, and panel evaluate the proposals and make recommendations to the governor regarding the proposals and any necessary legislation;
- ! The governor submits recommendations for legislation to the general assembly by the 3rd legislative day of the 2010 regular legislative session or notifies the executive committee of the general assembly and the health and human services committees of both houses of the general assembly that no valid proposals were submitted; and
- ! If the governor recommends legislation and the general assembly chooses to pursue such legislation, allows the legislation to be introduced during the 2010 regular legislative session to create the program and implement the governor's recommendations.

Establishes some parameters for the VBPs and the program, including:

- ! A premium subsidy program for low-income individuals;
- ! A mandate that individuals obtain health insurance and a mechanism to enforce the mandate through the state tax code;
- ! The encouragement of evidence-based medicine through creation of a patient safety council to improve patient care and minimize medical care mistakes;
- ! A process to certify VBPs and a mechanism for pairing subsidy-eligible individuals with appropriate VBPs;
- ! Creation of a consumer advisory council for the program; and
- ! Dedication of a revenue source, if necessary, and a ballot question to seek voter approval for the revenue source, if necessary.

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

2 **SECTION 1. Part 1 of article 1 of title 25.5, Colorado Revised**

3 **Statutes, is amended BY THE ADDITION OF A NEW SECTION to**

1 read:

2 **25.5-1-125. Centennial care choices - value benefit plans -**  
3 **request for information - request for proposals - report to general**  
4 **assembly - definitions - legislative declaration.** (1) THE GENERAL  
5 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

6 (a) THE BLUE RIBBON COMMISSION FOR HEALTH CARE REFORM,  
7 ESTABLISHED PURSUANT TO SECTION 10-16-131, C.R.S., AS IT EXISTED  
8 PRIOR TO JULY 1, 2008, SUBMITTED ITS RECOMMENDATIONS TO THE  
9 GENERAL ASSEMBLY IN JANUARY 2008, REGARDING COMPREHENSIVE  
10 PROPOSALS TO REFORM HEALTH CARE IN COLORADO, INCLUDING METHODS  
11 TO REDUCE OR ELIMINATE COLORADO'S UNINSURED POPULATION;

12 (b) THE GENERAL ASSEMBLY RECOGNIZES THAT WHILE  
13 COMPREHENSIVE HEALTH CARE REFORM IS A LAUDABLE GOAL, THE STATE  
14 LACKS THE FINANCIAL RESOURCES TO FULLY SOLVE ALL THE PROBLEMS  
15 FACING THIS STATE'S HEALTH CARE SYSTEM;

16 \_\_\_\_\_  
17 (c) IT IS ALSO CRITICAL THAT THE STATE MAXIMIZE FEDERAL  
18 FUNDS FOR MEDICAL ASSISTANCE PROGRAMS SO AS TO PROVIDE SERVICES  
19 AND ACCESS TO HEALTH CARE TO THE STATE'S NEEDY POPULATION;

20 (d) COLORADO CANNOT WAIT TO ADDRESS THE CURRENT  
21 PROBLEMS RELATED TO THE DELIVERY OF AFFORDABLE HEALTH CARE TO  
22 RESIDENTS OF THE STATE, AND IT IS THEREFORE CRITICAL TO START THE  
23 PROCESS TOWARD DEVELOPING A BALANCED PARTNERSHIP BETWEEN  
24 PRIVATE AND PUBLIC SECTORS IN COLORADO TO BEGIN TO PROVIDE  
25 AFFORDABLE HEALTH INSURANCE TO THOSE WHO ARE UNINSURED;

26 (e) TO THAT END, THIS SECTION CREATES THE OPPORTUNITY FOR  
27 HEALTH INSURANCE CARRIERS AND OTHER INTERESTED PARTIES,

1 INCLUDING THE STATE OF COLORADO, TO DEVELOP AND OFFER TO  
2 INDIVIDUALS THROUGHOUT THE STATE AN AFFORDABLE, BASELINE  
3 HEALTH INSURANCE PRODUCT, REPRESENTING THE MINIMUM BENEFITS  
4 PACKAGE FOR THE STATE'S INDIVIDUAL MARKET, THAT IS NOT CURRENTLY  
5 AVAILABLE IN THE INDIVIDUAL MARKET, TO PROVIDE ACCESS TO HEALTH  
6 CARE COVERAGE FOR THE STATE'S UNINSURED POPULATION;

7 (f) IN ADDITION, THE STATE DEPARTMENT, IN COORDINATION WITH  
8 THE DIVISION OF INSURANCE AND THE PANEL OF EXPERT ADVISORS  
9 APPOINTED BY THE GOVERNOR PURSUANT TO THIS SECTION, IS URGED TO  
10 CONDUCT THE REQUEST FOR INFORMATION PROCESS EXPEDITIOUSLY AND  
11 TO SUBMIT ITS REPORTS TO THE LEGISLATIVE COMMITTEES EARLIER THAN  
12 THE DATES SPECIFIED IN THIS SECTION, BUT IN NO CASE LATER THAN THOSE  
13 DATES, SO AS TO AFFORD THE GENERAL ASSEMBLY SUFFICIENT TIME TO  
14 CONSIDER THE REPORTS AND TAKE ANY LEGISLATIVE ACTION THE  
15 GENERAL ASSEMBLY MAY DEEM APPROPRIATE DURING THE 2009  
16 LEGISLATIVE SESSION; AND

17 (g) THE APPROPRIATION AND EXPENDITURE OF STATE GENERAL  
18 FUND MONEYS TO IMPLEMENT THIS SECTION SHALL NOT EXCEED ONE  
19 HUNDRED TWENTY-EIGHT THOUSAND SEVEN HUNDRED DOLLARS, AND IF  
20 THE STATE COSTS TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION  
21 EXCEED SUCH AMOUNT, THE STATE DEPARTMENT SHALL SOLICIT GIFTS,  
22 GRANTS, AND DONATIONS TO COVER ANY STATE COSTS THAT EXCEED SUCH  
23 APPROPRIATED AMOUNT.

24 (2) (a) (I) THE STATE DEPARTMENT, IN COORDINATION WITH THE  
25 DIVISION OF INSURANCE AND A PANEL OF EXPERT ADVISORS APPOINTED BY  
26 THE GOVERNOR BY JULY 1, 2008, WHICH SHALL INCLUDE PERSONS WITH  
27 EXPERTISE IN ACTUARIAL SCIENCES, PERSONS WITH EXPERTISE IN

1 DESIGNING HEALTH BENEFIT PLANS, PERSONS EXPERIENCED IN THE  
2 IMPLEMENTATION AND MANAGEMENT OF HEALTH BENEFIT PLANS, PERSONS  
3 WITH EXPERTISE IN DISABILITY ISSUES, PERSONS WITH EXPERTISE  
4 REGARDING LONG TERM CARE, CONSUMERS, AND PERSONS REPRESENTING  
5 HEALTH CARE PROVIDERS, SHALL PREPARE A REQUEST FOR INFORMATION  
6 TO BE ISSUED TO HEALTH INSURANCE CARRIERS AND OTHER INTERESTED  
7 PARTIES, INCLUDING THE STATE OF COLORADO, REGARDING THE  
8 DEVELOPMENT OF THE CENTENNIAL CARE CHOICES PROGRAM, AS  
9 DESCRIBED IN THIS SECTION. THE STATE DEPARTMENT AND DIVISION  
10 SHALL BEGIN PREPARING THE REQUEST FOR INFORMATION BY JULY 1,  
11 REGARDLESS OF WHETHER THE PANEL HAS BEEN APPOINTED BY THAT  
12 DATE. IF THE GOVERNOR FAILS TO APPOINT THE PANEL OF EXPERT  
13 ADVISORS BY JULY 1, 2008, THEN THE PRESIDENT OF THE SENATE AND THE  
14 SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL BE RESPONSIBLE FOR  
15 APPOINTING THE PANEL OF EXPERT ADVISORS AND SHALL EACH APPOINT  
16 AT LEAST FIVE EXPERT ADVISORS MEETING THE CRITERIA SPECIFIED IN THIS  
17 SUBPARAGRAPH (I) BY JULY 15, 2008. THE REQUEST FOR INFORMATION  
18 SHALL REQUEST INTERESTED HEALTH INSURANCE CARRIERS AND OTHER  
19 INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO, TO PROVIDE  
20 INFORMATION REGARDING:

21 (A) THE DESIGN OF AND BENEFITS INCLUDED IN VALUE BENEFIT  
22 PLANS, REFERRED TO IN THIS SECTION AS VBPs, TO BE OFFERED IN THE  
23 INDIVIDUAL MARKET WITH A BENCHMARK STANDARD OF APPROXIMATELY  
24 EIGHTY PERCENT OF THE ACTUARIAL VALUE OF A PREFERRED PROVIDER  
25 ORGANIZATION PLAN OFFERED TO EMPLOYEES OF THE STATE OF  
26 COLORADO AT THE TIME THE REQUEST FOR INFORMATION IS ISSUED, AS  
27 SPECIFIED IN THE REQUEST FOR INFORMATION. IN ADDITION, THE STATE

1 DEPARTMENT, WITH ASSISTANCE FROM THE DIVISION AND THE PANEL, MAY  
2 DEVELOP AND INCLUDE A REQUEST FOR INFORMATION ABOUT ADDITIONAL  
3 BENCHMARK STANDARDS IN THE REQUEST FOR INFORMATION PROCESS.

4 (B) THE PERCENTAGE DIFFERENTIAL IN RATES FOR VBPs IF ALL  
5 COLORADO RESIDENTS ARE REQUIRED TO OBTAIN CREDITABLE COVERAGE  
6 AND IF NO SUCH INDIVIDUAL MANDATE IS IMPOSED.


7 (II) EXCEPT AS AUTHORIZED IN THIS SECTION, THE REQUEST FOR  
8 INFORMATION SHALL NOT SPECIFY BENEFITS OR OTHER DETAILS TO BE  
9 INCLUDED IN THE PROPOSED VBP. IN DEVELOPING THE REQUEST FOR  
10 INFORMATION, THE STATE DEPARTMENT, IN COORDINATION WITH THE  
11 DIVISION AND THE PANEL, SHALL CONSIDER THE POTENTIAL RISKS OF  
12 ADVERSE SELECTION, CROWD OUT, AND OTHER FACTORS THAT MAY  
13 DESTABILIZE THE SMALL GROUP AND INDIVIDUAL MARKETS AS A RESULT  
14 OF OFFERING VBPs IN THE INDIVIDUAL MARKET.

15 (b) IN RESPONDING TO THE REQUEST FOR INFORMATION, A HEALTH  
16 INSURANCE CARRIER OR OTHER INTERESTED PARTY SHALL ASSUME THE  
17 FOLLOWING:

18 (I) THAT A VBP WILL, AT A MINIMUM:

19 (A) INCLUDE BENEFITS FOR PRIMARY AND PREVENTIVE CARE AND  
20 PARTICIPATION IN WELLNESS PROGRAMS AND INCENTIVES FOR PLAN  
21 PARTICIPANTS TO ENGAGE IN HEALTHY BEHAVIOR;

22 (B) PROVIDE THE LOWEST LEVEL OF BENEFITS THAT MAY BE  
23 OFFERED IN THE STATE'S INDIVIDUAL MARKET;

24   
25 (C) ENCOURAGE THE USE OF HEALTH INFORMATION TECHNOLOGY  
26 AND TELEMEDICINE, INCLUDING, WITHOUT LIMITATION, HEALTH  
27 INFORMATION EXCHANGE, ELECTRONIC HEALTH RECORDS, AND

- 1     ELECTRONIC PRESCRIPTIONS;
- 2             (D) ENCOURAGE THE USE OF A PAY-FOR-PERFORMANCE SYSTEM  
3     FOR REIMBURSING HEALTH CARE PROVIDERS, WHERE APPROPRIATE;
- 4             (E) PROVIDE CONSUMERS WITH EDUCATIONAL MATERIALS  
5     REGARDING HOW TO ACCESS INTERNET-BASED HEALTH CARE TOOLS;
- 6             (F) SPECIFY AN ADEQUATE NETWORK OF PROVIDERS AVAILABLE  
7     UNDER THE VBP;
- 8             (G) ENCOURAGE THE USE OF REGIONAL NETWORKS OF HOSPITALS,  
9     PHYSICIANS, COMMUNITY HEALTH CENTERS AND OTHER SAFETY NET  
10    PROVIDERS, AND OTHER HEALTH CARE PROFESSIONALS, INCLUDING, BUT  
11    NOT LIMITED TO, HOSPICE AND PALLIATIVE CARE PROVIDERS, WHERE  
12    AVAILABLE, AND INNOVATIVE OR COLLABORATIVE EFFORTS WITHIN  
13    COMMUNITIES FOR THE PROVISION OF HEALTH CARE SERVICES;
- 14            (H) INCLUDE OPTIONAL COVERAGE CHOICES FOR PURCHASE BY  
15    CONSUMERS TO ADD TO THEIR VBPs AND THE ESTIMATED CONSUMER  
16    COST FOR EACH PARTICULAR COVERAGE OPTION;
- 17            (I) LIMIT THE DEMOGRAPHIC CHARACTERISTICS USED BY HEALTH  
18    INSURANCE CARRIERS IN DETERMINING PREMIUM RATES TO THE AGE OF  
19    THE INDIVIDUALS TO BE COVERED UNDER THE VBP AND THE GEOGRAPHIC  
20    LOCATION OF THE POLICYHOLDER;
- 21            (J) SPECIFY PREMIUM LEVELS FOR EACH VBP BY AGE GROUP,  
22    REGION BY REGION;
- 23            (K) BE OFFERED STATEWIDE AND ISSUED TO ANY COLORADO  
24    RESIDENT ELIGIBLE PURSUANT TO THE TERMS OF THE APPROVED VBP WHO  
25    AGREES TO MAKE THE PREMIUM PAYMENTS REQUIRED FOR THAT PERSON;
- 26            (L) ALLOW FOR THE PAYMENT OF ALL OR A PORTION OF THE  
27    COVERED PERSON'S PREMIUM FROM A STATE-PAID PREMIUM SUBSIDY, IF

1 MADE AVAILABLE BY THE STATE FOR LOW-INCOME INDIVIDUALS AND  
2 FAMILIES; AND

3 (M) NOT DESTABILIZE THE EXISTING SMALL GROUP AND  
4 INDIVIDUAL MARKETS OR THE COVERCOLORADO PROGRAM.

5 [REDACTED]  
6 (II) THAT THE STATE MAY IMPOSE A REQUIREMENT THAT ALL  
7 COLORADANS OBTAIN CREDITABLE COVERAGE, EITHER THROUGH A  
8 STATE-SANCTIONED VBP, ANOTHER HEALTH INSURANCE PRODUCT  
9 AVAILABLE IN THE PRIVATE MARKET FOR INDIVIDUALS OR GROUPS,  
10 PARTICIPATION IN A STATE OR FEDERAL PROGRAM PROVIDING BENEFITS OR  
11 COVERAGE FOR HEALTH CARE, OR ANY OTHER CREDITABLE COVERAGE;

12 (III) THAT THE STATE WILL ESTABLISH A MECHANISM TO ENFORCE  
13 THE REQUIREMENT THAT ALL COLORADO RESIDENTS OBTAIN CREDITABLE  
14 COVERAGE THROUGH THE STATE TAX LAWS, IF SUCH REQUIREMENT IS  
15 IMPOSED;

16 (IV) THAT A VBP WILL BE THE MINIMUM BENEFITS PACKAGE  
17 AVAILABLE IN THE STATE'S INDIVIDUAL MARKET;

18 (V) THAT THE STATE WILL CREATE A SLIDING SCALE PREMIUM  
19 SUBSIDY PROGRAM TO ASSIST LOW-INCOME INDIVIDUALS AND FAMILIES IN  
20 PAYING THE PREMIUM COSTS FOR HEALTH INSURANCE;

21 (VI) THAT THE STATE WILL AMEND THE STATE PLAN TO EXPAND  
22 ELIGIBILITY FOR THE COLORADO MEDICAL ASSISTANCE PROGRAM TO [REDACTED]  
23 ADULTS WHOSE FAMILY INCOME DOES NOT EXCEED ONE HUNDRED  
24 PERCENT OF THE FEDERAL POVERTY LEVEL, ADJUSTED FOR FAMILY SIZE;

25 AND

26 [REDACTED]  
27 (VII) THAT THE STATE WILL CREATE A DEDICATED SOURCE OF



1 REVENUE, IF NECESSARY, TO FUND THE PREMIUM SUBSIDY PROGRAM OR  
2 OTHER NEW STATE COSTS.

3 [REDACTED]

4 [REDACTED]

5 (3) (a) BY DECEMBER 15, 2008, THE STATE DEPARTMENT, IN  
6 COORDINATION WITH THE DIVISION AND THE PANEL, SHALL SUBMIT A  
7 PROGRESS REPORT TO THE LEGISLATIVE COMMITTEES. THE PROGRESS  
8 REPORT SHALL PROVIDE AN UPDATE ON THE STATUS OF THE REQUEST FOR  
9 INFORMATION PROCESS.

10 (b) ON OR BEFORE MARCH 1, 2009, THE STATE DEPARTMENT, IN  
11 COORDINATION WITH THE DIVISION AND THE PANEL, SHALL SUBMIT A  
12 FINAL REPORT TO THE LEGISLATIVE COMMITTEES. PRIOR TO SUBMITTING  
13 THE FINAL REPORT, THE STATE DEPARTMENT, IN COORDINATION WITH THE  
14 DIVISION AND THE PANEL, SHALL ACQUIRE RELEVANT ACTUARIAL  
15 PROJECTIONS AND RESEARCH POTENTIAL COST SAVINGS. THE FINAL  
16 REPORT SHALL DETAIL THE RESULTS OF THE REQUEST FOR INFORMATION  
17 PROCESS AND THE ACTUARIAL AND COST SAVINGS RESEARCH, INCLUDING  
18 A DETAILED SUMMARY OF THE INFORMATION SUBMITTED BY HEALTH  
19 INSURANCE CARRIERS AND OTHER INTERESTED PARTIES AND AN  
20 EVALUATION AND ANALYSIS OF THE RESULTS OF THE REQUEST FOR  
21 INFORMATION PROCESS. IN ADDITION, THE FINAL REPORT SHALL INCLUDE  
22 INFORMATION REGARDING ANY LEGISLATION THAT WOULD BE REQUIRED  
23 SHOULD THE GENERAL ASSEMBLY PROCEED TO IMPLEMENT THE  
24 CENTENNIAL CARE CHOICES PROGRAM, VBPs, AND A PREMIUM SUBSIDY  
25 PROGRAM, IF APPLICABLE, AND COST PROJECTIONS REGARDING THE  
26 FUNDING NEEDED TO IMPLEMENT THE PROGRAM.

27 (c) AFTER RECEIPT OF THE FINAL REPORT, THE LEGISLATIVE

1 COMMITTEES, MEETING JOINTLY, SHALL CONSIDER THE INFORMATION  
2 INCLUDED IN THE FINAL REPORT AND DETERMINE WHETHER TO PROCEED  
3 WITH THE CENTENNIAL CARE CHOICES PROGRAM AND WHETHER TO  
4 RECOMMEND LEGISLATION TO THE GENERAL ASSEMBLY THAT IS  
5 NECESSARY TO:

6 (I) IMPLEMENT THE CENTENNIAL CARE CHOICES PROGRAM, VBPs,  
7 AND A PREMIUM SUBSIDY PROGRAM; AND

8 (II) CREATE A FUNDING SOURCE TO FUND A PREMIUM SUBSIDY  
9 PROGRAM OR OTHER COSTS OF THE CENTENNIAL CARE CHOICES PROGRAM.

10 (d) IF THE LEGISLATIVE COMMITTEES RECOMMEND LEGISLATION  
11 TO THE GENERAL ASSEMBLY TO IMPLEMENT THE CENTENNIAL CARE  
12 CHOICES PROGRAM, INCLUDING THE AUTHORIZATION FOR THE  
13 DEVELOPMENT OF VBPs, THE CREATION OF A PREMIUM SUBSIDY  
14 PROGRAM, AND THE CREATION OF A FUNDING SOURCE, THE  
15 RECOMMENDATION SHOULD SPECIFY INCLUSION OF THE FOLLOWING  
16 ELEMENTS IN THE LEGISLATION:

17 (I) STANDARDS THAT VBPs MUST SATISFY IN ORDER TO BE  
18 CERTIFIED BY THE STATE DEPARTMENT AND THE DIVISION AND  
19 AUTHORIZED TO BE OFFERED TO COLORADO RESIDENTS BY ANY HEALTH  
20 INSURANCE CARRIER, REGARDLESS OF WHETHER THE HEALTH INSURANCE  
21 CARRIER DEVELOPED THE VBP IN RESPONSE TO THE REQUEST FOR  
22 PROPOSALS, AS LONG AS THE HEALTH INSURANCE CARRIER OFFERS A VBP  
23 THAT MEETS SUCH STANDARDS AND THE REQUIREMENTS OF THIS SECTION;

24 (II) CREATION OF A PROCESS FOR PERIODIC REVIEW OF VBPs;

25 (III) CREATION OF A CONSUMER ADVISORY COUNCIL FOR THE  
26 CENTENNIAL CARE CHOICES PROGRAM;

27 (IV) A MECHANISM TO ENCOURAGE THE USE OF EVIDENCE-BASED

1 MEDICINE THROUGH CREATION OF A PATIENT SAFETY COUNCIL TO  
2 EVALUATE PATIENT CARE WITH THE GOALS OF IMPROVING QUALITY OF  
3 CARE AND MINIMIZING MEDICAL CARE MISTAKES;

4 (V) AUTHORIZATION FOR THE STATE DEPARTMENT AND THE  
5 DIVISION TO ESTABLISH HEALTH MARTS THROUGH WHICH AN INDIVIDUAL  
6 ELIGIBLE FOR A STATE SUBSIDY, IF CREATED, MAY SELECT A VBP THAT  
7 BEST MEETS HIS OR HER NEEDS; AND

8 (VI) IF THE FUNDING SOURCE WOULD BE CREATED THROUGH A  
9 NEW OR INCREASED TAX OR TAX RATE, A BALLOT QUESTION TO SEEK  
10 VOTER APPROVAL AT A FUTURE GENERAL ELECTION FOR THE REVENUE  
11 SOURCE.

12 (4) (a) IF THE GENERAL ASSEMBLY ENACTS LEGISLATION TO  
13 CREATE THE CENTENNIAL CARE CHOICES PROGRAM, INCLUDING  
14 AUTHORIZATION FOR THE DEVELOPMENT OF VBPs, THE CREATION OF A  
15 PREMIUM SUBSIDY PROGRAM, AND THE CREATION OF A FUNDING SOURCE,  
16 THE STATE DEPARTMENT, IN COORDINATION WITH THE DIVISION AND THE  
17 PANEL, SHALL DETERMINE WHETHER A FUNDING SOURCE HAS BEEN  
18 IDENTIFIED TO FUND THE CENTENNIAL CARE CHOICES PROGRAM. IF A  
19 FUNDING SOURCE HAS BEEN IDENTIFIED AND APPROVED BY THE VOTERS,  
20 IF NECESSARY, THE STATE DEPARTMENT MAY DEVELOP A REQUEST FOR  
21 PROPOSALS TO BE ISSUED TO INTERESTED HEALTH INSURANCE CARRIERS  
22 AND OTHER INTERESTED PARTIES, INCLUDING THE STATE OF COLORADO.  
23 THE REQUEST FOR PROPOSALS SHALL REQUEST INTERESTED PARTIES TO  
24 SUBMIT PROPOSALS FOR PLAN DESIGNS FOR VBPs TO BE OFFERED IN THE  
25 INDIVIDUAL MARKET, WHICH SHALL BE BASED ON THE PARAMETERS  
26 OUTLINED IN SUBSECTION (2) OF THIS SECTION IN THE REQUEST FOR  
27 INFORMATION, AS MODIFIED BY ANY LEGISLATION ENACTED BY THE

1 GENERAL ASSEMBLY PURSUANT TO THIS SECTION.

2 (b) PRIOR TO ISSUING A REQUEST FOR PROPOSALS, THE STATE  
3 DEPARTMENT, IN CONSULTATION WITH THE DIVISION AND THE PANEL, AND  
4 BASED ON THE INFORMATION OBTAINED THROUGH THE REQUEST FOR  
5 INFORMATION PROCESS AND ANY OTHER RELEVANT INFORMATION, SHALL  
6 DEVELOP A BENCHMARK PRICE OR AFFORDABILITY STANDARD FOR VBPs  
7 TO ENSURE THAT ELIGIBLE INDIVIDUALS CAN AFFORD TO PURCHASE VBPs  
8 THAT ARE DEVELOPED BY INTERESTED PARTIES.

9 (c) THE STATE DEPARTMENT SHALL INCLUDE THE SAME  
10 ASSUMPTIONS IN THE REQUEST FOR PROPOSALS THAT WERE INCLUDED IN  
11 THE REQUEST FOR INFORMATION PURSUANT TO SUBSECTION (2) OF THIS  
12 SECTION AND SHALL MODIFY THOSE ASSUMPTIONS TO THE EXTENT  
13 NECESSARY TO CONFORM TO ANY LEGISLATION ENACTED BY THE GENERAL  
14 ASSEMBLY PURSUANT TO THIS SECTION.

15 (5) THE STATE DEPARTMENT SHALL ENSURE THAT THE REQUEST  
16 FOR INFORMATION AND REQUEST FOR PROPOSALS PROCESSES ENCOURAGE  
17 COLLABORATION AND NEGOTIATION BETWEEN THE INTERESTED PARTIES  
18 RESPONDING TO THE REQUESTS AND THE STATE DEPARTMENT, DIVISION,  
19 AND PANEL REGARDING THE PRICE FOR AND BENEFITS INCLUDED IN VBPs.

20 (6) A HEALTH INSURANCE CARRIER OR OTHER INTERESTED PARTY  
21 SHALL NOT BE REQUIRED TO HAVE A CERTIFICATE OF AUTHORITY ISSUED  
22 BY THE COMMISSIONER OF INSURANCE PURSUANT TO SECTION 10-3-105,  
23 C.R.S., IN ORDER TO RESPOND TO THE REQUEST FOR INFORMATION OR  
24 REQUEST FOR PROPOSALS, BUT THE HEALTH INSURANCE CARRIER OR  
25 OTHER INTERESTED PARTY SHALL BE ALLOWED TO OFFER AN APPROVED  
26 VBP TO ELIGIBLE COLORADO RESIDENTS ONLY IF THE PARTY OBTAINS A  
27 CERTIFICATE OF AUTHORITY TO TRANSACT THE BUSINESS OF INSURANCE

1 IN THIS STATE PRIOR TO OFFERING THE VBP.

2 (7) A HEALTH INSURANCE CARRIER OR OTHER INTERESTED PARTY  
3 THAT SUBMITS INFORMATION OR A PROPOSAL IN RESPONSE TO THE  
4 REQUEST FOR INFORMATION OR THE REQUEST FOR PROPOSALS,  
5 RESPECTIVELY, SHALL NOT BE OBLIGATED TO OFFER A VBP IF, AFTER  
6 SUBMISSION OF INFORMATION OR A PROPOSAL, THE GENERAL ASSEMBLY,  
7 BY BILL, MODIFIES THE DESIGN OF THE VBP.

8 (8) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO ESTABLISH  
9 A REQUIREMENT FOR INDIVIDUALS TO PURCHASE HEALTH INSURANCE OR  
10 TO PRECLUDE OR LIMIT THE ABILITY OF THE GENERAL ASSEMBLY TO USE  
11 INFORMATION OBTAINED THROUGH THE REQUEST FOR INFORMATION TO  
12 ENACT REFORMS THAT DO NOT INCLUDE SUCH A REQUIREMENT.

13 (9) AS USED IN THIS SECTION:

14 (a) "COLORADO MEDICAL ASSISTANCE PROGRAM" MEANS THE  
15 PROGRAM ESTABLISHED IN THE "COLORADO MEDICAL ASSISTANCE ACT",  
16 ARTICLES 4, 5, AND 6 OF THIS TITLE.

17 (b) "COVER COLORADO PROGRAM" MEANS THE PROGRAM CREATED  
18 IN PART 5 OF ARTICLE 8 OF TITLE 10, C.R.S.

19 (c) "CREDITABLE COVERAGE" SHALL HAVE THE SAME MEANING AS  
20 SET FORTH IN SECTION 10-16-102, C.R.S.

21 (d) "DIVISION OF INSURANCE" OR "DIVISION" MEANS THE DIVISION  
22 OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES.

23 (e) "HEALTH INSURANCE CARRIER" SHALL HAVE THE SAME  
24 MEANING AS "CARRIER", AS DEFINED IN SECTION 10-16-102, AND SHALL  
25 INCLUDE A CARRIER THAT IS NOT CURRENTLY PROVIDING HEALTH  
26 COVERAGE IN THE STATE OR THAT DOES NOT, AT THE TIME THE REQUEST  
27 FOR INFORMATION OR REQUEST FOR PROPOSALS IS ISSUED, HAVE A

1 CERTIFICATE OF AUTHORITY FROM THE COMMISSIONER OF INSURANCE  
2 PURSUANT TO SECTION 10-3-105, C.R.S.

3 (f) "INTERESTED PARTY" MEANS A PERSON OR ENTITY THAT  
4 POSSESSES APPLICABLE ACTUARIAL EXPERTISE AND HAS ADMINISTERED OR  
5 HAS THE CAPACITY TO ADMINISTER A HEALTH INSURANCE PROGRAM.

6 (g) "LEGISLATIVE COMMITTEES" MEANS THE HEALTH AND HUMAN  
7 SERVICES COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES,  
8 OR THEIR SUCCESSOR COMMITTEES.


9 (h) "PANEL" MEANS THE PANEL OF EXPERT ADVISORS APPOINTED  
10 BY THE GOVERNOR PURSUANT TO SUBSECTION (2) OF THIS SECTION.

11 (i) "VALUE BENEFIT PLAN" OR "VBP" MEANS A POLICY, CONTRACT,  
12 CERTIFICATE, OR AGREEMENT TO PROVIDE, DELIVER, ARRANGE FOR, PAY  
13 FOR, OR REIMBURSE THE COSTS OF HEALTH CARE SERVICES THAT IS  
14 DEVELOPED IN RESPONSE TO THE REQUEST FOR PROPOSALS ISSUED  
15 PURSUANT TO THIS SECTION.

16 **SECTION 2. Appropriation -- adjustment to the 2008 long**  
17 **bill.** (1) In addition to any other appropriation, there is hereby  
18 appropriated, to the department of health care policy and financing, for  
19 allocation to the executive director's office, general professional services  
20 and special projects, for the fiscal year beginning July 1, 2008, the sum  
21 of one hundred ninety-one thousand two hundred dollars (\$191,200), or  
22 so much thereof as may be necessary, for the implementation of this act.  
23 Of said sum, one hundred twenty-eight thousand seven hundred dollars  
24 (\$128,700) shall be from the general fund and sixty-two thousand five  
25 hundred dollars (\$62,500) shall be cash funds from gifts, grants, and  
26 donations. In addition to said appropriation, the general assembly  
27 anticipates that the department of health care policy and financing will

1 receive one hundred ninety-one thousand two hundred dollars (\$191,200)  
2 federal funds in the fiscal year beginning July 1, 2008, for the  
3 implementation of this act. Although the federal funds are not  
4 appropriated in this act, they are noted for the purpose of indicating the  
5 assumptions used relative to these funds in developing state appropriation  
6 amounts.

7

8 (2) In addition to any other appropriation, there is hereby  
9 appropriated, to the department of regulatory agencies, division of  
10 insurance, for the fiscal year beginning July 1, 2008, the sum of   
11 twenty-nine thousand five hundred dollars (\$29,500) cash funds, or so  
12 much thereof as may be necessary, for the implementation of this act.  
13 Said sum, shall be from the division of insurance cash fund created in  
14 section 10-1-103 (3), Colorado Revised Statutes.

15 (3) For the implementation of this act, the general fund  
16 appropriation to the controlled maintenance trust fund made in section 23  
17 of the annual general appropriation act, for the fiscal year beginning July  
18 1, 2008, shall be decreased by one hundred twenty-eight thousand seven  
19 hundred dollars (\$128,700).

20 **SECTION 3. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, and safety.