First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 09-0120.02 Kristen Forrestal

HOUSE BILL 09-1358

HOUSE SPONSORSHIP

Rice, Middleton, Peniston, Scanlan, Todd

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A HEALTH CARE AUTHORITY TO
102 DEVELOP AND ADMINISTER A HEALTH CARE SYSTEM FOR
103 COLORADO.

Bill Summary

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

Creates the Colorado health care authority (authority) as a body corporate and political subdivision of the state. Establishes the mission of the authority, which is to create a health care system (system) in Colorado that is the administrator and payer for health care services.

Requires the authority to design a system to recommend to the general assembly that provides comprehensive medical benefits to all

Coloradans. Requires the appointment of a board of directors (board) to create and develop the system. In creating and developing the system, requires the board to consider specific requirements and analyses.

Requires the executive director of the board to seek all necessary waivers, exemptions, and agreements from the federal government to ensure consistent levels of funding if the system is implemented by bill of the general assembly.

Prohibits the implementation of the creation and development of the system if the board does not raise sufficient gifts, grants, and donations by July 1, 2011, to fund its activities. Prohibits the implementation of the system until all necessary waivers, exemptions, and agreements are in place and the general assembly acts by bill to implement the system.

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

2 **SECTION 1.** Title 25.5, Colorado Revised Statutes, is amended

3 BY THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 9**

5 **Comprehensive Health Care Reform Act**

6 **25.5-9-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY

7 BE CITED AS THE "COMPREHENSIVE HEALTH CARE REFORM ACT".

8 **25.5-9-102. Legislative declaration.** (1) THE GENERAL

9 ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT:

10 (a) COLORADO CONFRONTS URGENT AND INTERCONNECTED

11 CHALLENGES TO PROVIDE AFFORDABLE QUALITY HEALTH CARE FOR ITS

12 CITIZENS;

13 (b) HEALTH CARE IS UNAVAILABLE OR UNAFFORDABLE TO AN

14 INCREASING NUMBER OF COLORADANS;

15 (c) THERE IS ENOUGH MONEY IN THE CURRENT HEALTH CARE

16 SYSTEM TO FUND ALL PROVISIONS DETAILED IN THE "COMPREHENSIVE

17 HEALTH CARE REFORM ACT", SO THAT FUNDING FOR THE ACT MAY BE

18 OBTAINED THROUGH REVISED APPLICATION OF CURRENT FUNDING FOR

1 HEALTH CARE;

2 (d) COST SHIFTING OCCURS WHEN ALL COLORADANS PAY FOR
3 PERSONS WHO ARE UNINSURED AND WHEN PROVIDERS RAISE RATES DUE TO
4 REIMBURSEMENT FOR SERVICES AND INADEQUATE MEDICARE AND
5 MEDICAID REIMBURSEMENT RATES;

6 (e) EXTENDING HEALTH CARE TO ALL COLORADANS WILL
7 ELIMINATE THE BURDEN OF UNCOMPENSATED CARE, REDUCE COSTS,
8 IMPROVE THE HEALTH OF COLORADANS, AND ESTABLISH THE PRINCIPLE OF
9 UNIVERSAL HEALTH CARE COVERAGE;

10 (f) THE INCREASING COST TO BUSINESSES TO PROVIDE EMPLOYEE
11 HEALTH CARE COVERAGE IS NOT ECONOMICALLY SUSTAINABLE UNDER THE
12 CURRENT HEALTH CARE SYSTEM;

13 (g) INCREASING COSTS ARE STRAINING CONSUMER FINANCES, THE
14 ECONOMIC VIABILITY OF BUSINESSES OF ALL SIZES, AND GOVERNMENT
15 BUDGETS;

16 (h) THE FUNDAMENTAL PARTICIPANT IN HEALTH CARE
17 TRANSACTIONS SHOULD BE THE INDIVIDUAL;

18 (i) THE FUNDAMENTAL RELATIONSHIP IN HEALTH CARE
19 TRANSACTIONS SHOULD BE BETWEEN THE INDIVIDUAL AND HIS OR HER
20 PROVIDER, AND ANYTHING THAT FACILITATES OR STREAMLINES THIS
21 RELATIONSHIP SHOULD BE ENCOURAGED, AND ANYTHING THAT
22 FRUSTRATES OR HINDERS THIS RELATIONSHIP SHOULD BE DISCOURAGED;

23 (j) THE HEALTH CARE INDUSTRY LACKS COMPETITION AND
24 EFFICIENCY-DRIVERS THAT HAVE RESULTED IN IMPROVED COSTS AND
25 QUALITY IN OTHER INDUSTRIES;

26 (k) HEALTH CARE SERVICES SHOULD BE PROVIDED TO AN
27 INDIVIDUAL WITH EFFICIENT AND LIMITED OUTSIDE INTERVENTION, AND

1 WITH MAXIMUM TRANSPARENCY;
2 (l) THE GOAL OF THE HEALTH CARE SYSTEM IS TO INCREASE THE
3 VALUE FOR ALL HEALTH CARE CONSUMERS;
4 (m) THERE SHOULD BE NO MANDATED OR ASSUMED CONNECTION
5 BETWEEN HEALTH CARE AND EMPLOYMENT;
6 (n) THE CURRENT PROBLEMS OF ACCESS, COST, AND QUALITY CAN
7 BE RESOLVED BY RESTORING THE HEALTH CARE PROVIDER'S PRIMACY IN
8 HEALTH CARE DECISIONS, PROVIDING UNIVERSAL PUBLICALLY
9 ADMINISTERED ACCESS TO PREVENTIVE CARE, PROVIDING UNIVERSAL
10 PUBLICALLY ADMINISTERED CATASTROPHIC COVERAGE, AND REQUIRING
11 ALL INDIVIDUALS TO PURCHASE INDIVIDUAL INSURANCE POLICIES FOR
12 SERVICES NOT COVERED UNDER THE PREVENTIVE OR CATASTROPHIC
13 PROVISIONS AND THAT MEET OR EXCEED PUBLISHED STANDARDS OF
14 COVERAGE; AND
15 (o) A THREE-TIER, INDIVIDUAL-BASED, PUBLIC AND PRIVATE
16 SYSTEM WILL REDUCE DEPENDENCY ON THIRD PARTIES SUCH AS
17 EMPLOYERS, GOVERNMENT, AND PAYERS, AND WILL CREATE TRUE
18 PORTABILITY, IMPROVE TRANSPARENCY, RESTORE FREE MARKET
19 DYNAMICS, REDUCE COSTS, AND INCREASE PERSONAL INVOLVEMENT AND
20 RESPONSIBILITY IN ALL HEALTH CARE DECISIONS.
21 (2) IT IS THEREFORE THE INTENT OF THE GENERAL ASSEMBLY TO
22 ESTABLISH A UNIVERSALLY AFFORDABLE AND ACCESSIBLE HEALTH CARE
23 SYSTEM IN COLORADO THAT:
24 (a) ALLOWS FOR TRANSPARENCY OF HEALTH CARE QUALITY AND
25 COSTS;
26 (b) REDUCES INTERFERENCE IN THE RELATIONSHIP BETWEEN THE
27 PATIENT AND THE HEALTH CARE PROVIDER;

1 (c) CREATES A BETTER DEFINITION OF HEALTH CARE VALUE;
2 (d) IMPLEMENTS TOOLS FOR QUALITY MEASUREMENT WITH EASY
3 CONSUMER ACCESS TO QUALITY INFORMATION;
4 (e) INCREASES PERSONAL ACCOUNTABILITY AND RESPONSIBILITY
5 FOR HEALTH AND LIFESTYLE CHOICES WITH IMPROVED OUTCOMES FOR
6 SOCIETY AND INDIVIDUALS;
7 (f) REDUCES THE ROLE OF EMPLOYERS IN THE HEALTH CARE
8 SYSTEM; AND
9 (g) ENHANCES THE APPLICATION OF FREE MARKET PRINCIPLES FOR
10 PAYERS AND MEDICAL SERVICE PROVIDERS AND FACILITATES COMPETITION
11 IN THE BEST INTERESTS OF THE CONSUMER.
12 **25.5-9-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
13 CONTEXT OTHERWISE REQUIRES:
14 (1) "AUTHORITY" MEANS THE COLORADO HEALTH CARE
15 AUTHORITY CREATED IN SECTION 25.5-9-104.
16 (2) "BASIC PLAN" MEANS A HEALTH INSURANCE PLAN THAT MEETS
17 MINIMUM COVERAGE STANDARDS AS ESTABLISHED BY AND ANNUALLY
18 REVIEWED BY THE AUTHORITY.
19 (3) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE
20 AUTHORITY.
21 (4) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
22 THE AUTHORITY.
23 (5) "MANDATORY ISSUE" MEANS THE REQUIREMENT THAT
24 CARRIERS WHO OFFER TIER-2 PLANS ARE REQUIRED TO ACCEPT AN
25 INDIVIDUAL'S APPLICATION FOR COVERAGE AT MODIFIED COMMUNITY
26 RATES AND NOT DENY COVERAGE REQUIRED BY THE AUTHORITY FOR ANY
27 REASON.

1 (6) "SYSTEM" MEANS THE HEALTH CARE SYSTEM CREATED BY THE
2 AUTHORITY.
3 (7) "TIER-1" MEANS THE PREVENTIVE TIER OF THE SYSTEM THAT
4 IS PUBLICALLY ADMINISTERED, COVERS ALL COLORADO RESIDENTS, AND
5 PERTAINS TO PREVENTIVE CARE AS DEFINED INITIALLY AND REVIEWED
6 PERIODICALLY BY THE AUTHORITY.
7 (8) "TIER-2" MEANS THE MAINTENANCE TIER OF THE SYSTEM FOR
8 WHICH ALL RESIDENTS ARE REQUIRED TO PURCHASE INDIVIDUAL
9 INSURANCE POLICIES THAT COVER SERVICES THAT ARE NOT COVERED BY
10 TIER-1 AND TIER-3. TIER-2 PLANS SHALL BE OFFERED BY PRIVATE
11 CARRIERS AND SHALL MEET OR EXCEED MINIMUM COVERAGE STANDARDS
12 AS ESTABLISHED BY AND ANNUALLY REVIEWED BY THE AUTHORITY.
13 (9) "TIER-3" MEANS THE CATASTROPHIC TIER OF THE SYSTEM THAT
14 IS PUBLICALLY ADMINISTERED AND COVERS ALL COLORADO RESIDENTS
15 FOR MEDICAL EXPENSES FOR SPECIFIC CONDITIONS AND PROCEDURES, THE
16 AGGREGATE COST OF WHICH EXCEEDS A DOLLAR AMOUNT ESTABLISHED
17 AND ANNUALLY REVIEWED BY THE AUTHORITY.
18 **25.5-9-104. Colorado health care authority - creation.**
19 (1) THERE IS HEREBY CREATED THE COLORADO HEALTH CARE
20 AUTHORITY, THAT SHALL BE A BODY CORPORATE AND A POLITICAL
21 SUBDIVISION OF THE STATE, THAT SHALL NOT BE AN AGENCY OF STATE
22 GOVERNMENT, AND THAT SHALL NOT BE SUBJECT TO ADMINISTRATIVE
23 DIRECTION OR CONTROL BY ANY DEPARTMENT, COMMISSION, BOARD,
24 BUREAU, OR AGENCY OF THE STATE.
25 (2) THE AUTHORITY AND ITS CORPORATE EXISTENCE SHALL
26 CONTINUE UNTIL TERMINATED BY LAW; EXCEPT THAT NO SUCH LAW SHALL
27 TAKE EFFECT IF THE AUTHORITY HAS NOTES OR OTHER OBLIGATIONS

1 OUTSTANDING UNLESS ADEQUATE PROVISION HAS BEEN MADE FOR THE
2 PAYMENT THEREOF.

3 **25.5-9-105. Mission of the authority.** (1) THE MISSION OF THE
4 AUTHORITY SHALL BE TO:

5 (a) DESIGN A DETAILED HEALTH CARE SYSTEM IN COLORADO THAT
6 IS CONSISTENT WITH THE REQUIRED ELEMENTS OF THIS ARTICLE;

7 (b) SUBMIT THE COMPLETED DESIGN OF THE SYSTEM TO THE
8 GENERAL ASSEMBLY FOR THE PURPOSE OF AUTHORIZING ITS
9 IMPLEMENTATION;

10 (c) DIRECT THE IMPLEMENTATION OF THE SYSTEM, AS APPROVED
11 BY THE GENERAL ASSEMBLY; AND

12 (d) ADMINISTER AND OVERSEE THE APPLICABLE PUBLIC AND
13 PRIVATE ACTIVITIES OF THE IMPLEMENTED SYSTEM.

14 **25.5-9-106. Creation of system - required elements of system.**
15 (1) THE BOARD SHALL DESIGN AND CREATE THE SYSTEM WITH THE
16 FOLLOWING REQUIRED ELEMENTS:

17 (a) THE ADMINISTRATION OF CLAIMS FOR THE PUBLICALLY
18 ADMINISTERED PORTIONS OF THE SYSTEM. THE PLAN MAY INCLUDE THE
19 ESTABLISHMENT OF A SINGLE POINT OF ADMINISTRATION OR REGIONAL
20 POINTS OF ADMINISTRATION.

21 (b) RECOMMENDATIONS CONCERNING THE IMPACT OF
22 INCORPORATING THE MEDICAL PORTIONS OF STATE LIABILITY INSURANCE,
23 WORKERS' COMPENSATION INSURANCE, AND AUTOMOBILE INSURANCE INTO
24 THE SYSTEM THROUGH AN ANALYSIS COMPLETED BY THE BOARD;

25 (c) RECOMMENDATIONS FOR THE USE OF ALL MONEYS SPENT ON
26 HEALTH CARE IN COLORADO AND HOW THE CURRENT FUNDING SOURCES
27 MAY BE USED IN A MORE EFFECTIVE MANNER;

1 (d) THE ESTABLISHMENT OF A MEDICAL HOME AS DEFINED IN
2 SECTION 25.5-1-103; EXCEPT THAT THE MEDICAL HOME SHALL INCLUDE
3 SERVICES FOR ALL COLORADO RESIDENTS. THE MEDICAL HOME SHALL BE
4 A LICENSED PHYSICIAN OR ADVANCED PRACTICE NURSE CHOSEN BY THE
5 INDIVIDUAL.
6 (e) INFORMATION TECHNOLOGY SPECIFICATIONS FOR:
7 (I) A CONFIDENTIAL ELECTRONIC PERSONAL HEALTH RECORD
8 SYSTEM DESIGNED TO SIMPLIFY BILLING, REDUCE MEDICAL ERRORS, AND
9 LOWER ADMINISTRATIVE COSTS;
10 (II) AN AUTOMATED SYSTEM FOR BILLING, CLAIMS PROCESSING,
11 AND PROVIDER PAYMENTS;
12 (III) AN EVIDENCE-BASED BEST PRACTICES SYSTEM BASED UPON
13 THE STATEWIDE COLLECTION AND ANALYSIS OF CLINICAL DATA TO
14 INCLUDE UTILIZATION, QUALITY MEASURES, OUTCOMES, AND ERRORS;
15 (IV) THE IMPROVEMENT OF SECURE INFORMATION-SHARING AND
16 COMMUNICATION AMONG INFORMATION SYSTEMS AND ACROSS EPISODES
17 OF CARE;
18 (V) THE PROMOTION AND UTILIZATION OF DATA CLEARINGHOUSES
19 THAT AGGREGATE TREATMENT, DIAGNOSIS, AND OUTCOME DATA TO
20 ANALYZE AND CONTINUOUSLY IMPROVE HEALTH CARE AND CREATE BEST
21 PRACTICES PROTOCOLS; AND
22 (VI) THE CREATION OF INCENTIVES TO HEALTH CARE PROVIDERS
23 TO SUBMIT DATA TO CLEARINGHOUSES AND TO FOLLOW BEST PRACTICES
24 GUIDELINES;
25 (f) MEASURES INTENDED TO IMPROVE THE HEALTH OF COLORADO
26 RESIDENTS THROUGH HEALTH INITIATIVES, SUPPORTING INNOVATIVE,
27 EFFICIENT, COORDINATED CARE, WELLNESS, AND END-OF-LIFE EDUCATION;

1 (g) THE ESTABLISHMENT OF A POLICY OF NEGOTIATION FOR
2 FAVORABLE PRICES FOR PRESCRIPTION DRUGS AND DURABLE MEDICAL
3 EQUIPMENT;
4 (h) SUPPORT FOR HEALTH CARE PROVIDER EDUCATION AND
5 TRAINING THAT EFFECTIVELY ADDRESSES PRIMARY CARE, NURSING, AND
6 OTHER PROVIDER SHORTAGES, PARTICULARLY IN RURAL AND
7 UNDERSERVED AREAS OF THE STATE;
8 (i) THE ESTABLISHMENT OF A SYSTEM FOR FILING AND
9 ARBITRATING ALL GRIEVANCES REGARDING DELAY, DENIAL, OR
10 MODIFICATION OF HEALTH CARE COVERAGE;
11 (j) COLLABORATION WITH LOCAL GOVERNMENTS, SPECIAL
12 DISTRICTS, CRITICAL ACCESS HOSPITALS, PRIVATE SECTOR FOUNDATIONS,
13 AND REPRESENTATIVES OF SPECIAL POPULATIONS TO ADDRESS SPECIAL
14 HEALTH CARE NEEDS AND THE ESTABLISHMENT OF EDUCATION AND
15 OUTREACH PROGRAMS, RESEARCH STUDIES, GRANTS, AND FINANCIAL
16 INCENTIVES TO MEET THE HEALTH CARE NEEDS OF LOCALITIES AND
17 SPECIAL NEEDS POPULATIONS;
18 (k) A RECOMMENDATION FOR A FINANCING SYSTEM ADEQUATE TO
19 EFFECTUATE THE SYSTEM ESTABLISHED PURSUANT TO THIS ARTICLE,
20 INCLUDING DIRECTING EXISTING FEDERAL, STATE, AND PRIVATE HEALTH
21 CARE FUNDING SOURCES WHEREVER POSSIBLE AND CONSISTENT WITH ALL
22 STATE AND FEDERAL REQUIREMENTS;
23 (l) AN APPROPRIATE ENFORCEMENT MECHANISM FOR
24 NONCOMPLIANCE WITH MANDATORY PARTICIPATION IN TIER-2 THAT MAY
25 INCLUDE FINES, DRIVING RESTRICTIONS, OR REQUIRED HOURS OF PUBLIC
26 SERVICE;
27 (m) AN ANALYSIS OF HOW TO FINANCE AND ADDRESS HEALTH

1 CARE SERVICES FOR VISITORS, NONRESIDENT STUDENTS, REFUGEES, AND
2 OTHER NORMALLY INELIGIBLE PERSONS IN COLORADO;
3 (n) A STIPULATION THAT, IN ADDITION TO OTHER TIER-2
4 INSURANCE PLANS THAT MAY BE OFFERED, ALL CARRIERS SHALL OFFER
5 THE BASIC PLAN;
6 (o) A LIST OF SPECIFIC REQUIREMENTS FOR TIER-2 COVERAGES AND
7 EXCLUSIONS THAT COMPRISE THE BASIC PLAN THAT SHALL BE INCLUDED
8 IN ANY PLAN OFFERED FOR SALE;
9 (p) MANDATORY ISSUE FOR TIER-2 PLANS;
10 (q) A PLAN FOR A PUBLICALLY AVAILABLE SCHEDULE OF ANNUAL
11 REVIEWS OF TIER-2 STANDARDS, BEST PRACTICES, HEALTH OUTCOME
12 DATA, AND CURRENT HEALTH INITIATIVE OR COST CONTAINMENT RESULTS
13 OF THE IMPLEMENTATION OF TIER-2;
14 (r) A PUBLIC COMMUNITY RATING PRICING STANDARD THAT IS
15 SUBJECT TO ANNUAL REVIEW BY THE AUTHORITY, THAT ALLOWS FOR
16 REASONABLE PRICE DIFFERENTIALS BASED ON LIFESTYLE CHOICES,
17 INCLUDING PARTICIPATION IN A WELLNESS PROGRAM, CHOOSING TO BE A
18 NONSMOKER, AND CHOOSING A HEALTHY NUTRITION PLAN;
19 (s) A PUBLIC MECHANISM FOR EVALUATING AND COMPARING
20 PLANS OFFERED UNDER TIER-2, WITH THE GOAL OF CREATING
21 TRANSPARENCY FOR THE CONSUMER;
22 (t) THE ISSUANCE OF VOUCHERS DESIGNATED FOR THE PURCHASE
23 OF TIER-2 INSURANCE POLICES. VOUCHERS SHALL BE ISSUED ON AN
24 INCOME-BASED SLIDING SCALE BASIS THAT IS ACTUARIALLY DEVELOPED
25 AND REVIEWED AND ADJUSTED ANNUALLY BY THE AUTHORITY.
26 (u) THE PRESENTATION OF MODELING RESULTS TO THE GENERAL
27 ASSEMBLY BY A RECOGNIZED THIRD-PARTY FIRM THAT VALIDATES THE

1 FINANCIAL SUSTAINABILITY OF THE SYSTEM.
2 (2) THE BOARD MAY CONSIDER OTHER ELEMENTS IT DEEMS
3 NECESSARY TO IMPLEMENT THE SYSTEM, INCLUDING THE MERGING OF
4 TIER-1 INTO THE BASIC PLAN OF TIER-2. IF THE TIERS ARE MERGED, TIER-1
5 SHALL BE INCLUDED IN THE TIER-2 BASIC PLAN WITH NO COPAYMENTS OR
6 OTHER OUT-OF-POCKET COSTS TO CONSUMERS FOR AGE AND
7 GENDER-BASED PROCEDURES AND DIAGNOSTIC TESTS.
8 (3) THE BOARD SHALL ENSURE THAT THE COMBINED COVERAGES
9 OF TIER-1, TIER-2, AND TIER-3 ARE AT LEAST A FULL REPLACEMENT FOR
10 COVERAGES CURRENTLY OFFERED BY MEDICARE, MEDICAID, OR ANY
11 OTHER MEDICAL SERVICES PROGRAM THAT MAY BE IMPACTED BY THE
12 IMPLEMENTATION OF THE SYSTEM.
13 **25.5-9-107. Board of directors.** (1) THE AUTHORITY SHALL BE
14 GOVERNED BY A BOARD OF DIRECTORS, CONSISTING OF SEVENTEEN
15 MEMBERS, WHO SHALL BE APPOINTED AS FOLLOWS:
16 (a) THE PRESIDENT AND MINORITY LEADER OF THE SENATE SHALL
17 JOINTLY APPOINT THE FOLLOWING MEMBERS:
18 (I) THREE REPRESENTATIVES OF HEALTH CARE PROVIDERS;
19 (II) ONE REPRESENTATIVE OF LARGE BUSINESSES NOT IN THE
20 MEDICAL OR HEALTH INSURANCE INDUSTRY;
21 (III) ONE REPRESENTATIVE OF SMALL BUSINESSES NOT IN THE
22 MEDICAL OR HEALTH INSURANCE INDUSTRY;
23 (IV) ONE REPRESENTATIVE OF THE HEALTH INSURANCE INDUSTRY.
24 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
25 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL JOINTLY
26 APPOINT THE FOLLOWING MEMBERS:
27 (I) THREE REPRESENTATIVES OF HEALTH CARE PROVIDERS;

1 (II) ONE REPRESENTATIVE OF LARGE BUSINESSES NOT IN THE
2 MEDICAL OR HEALTH INSURANCE INDUSTRY;
3 (III) ONE REPRESENTATIVE OF SMALL BUSINESSES NOT IN THE
4 MEDICAL OR HEALTH INSURANCE INDUSTRY;
5 (IV) ONE REPRESENTATIVE OF THE HEALTH INSURANCE INDUSTRY.
6 (c) THE GOVERNOR OF THE STATE OF COLORADO SHALL APPOINT
7 THE FOLLOWING:
8 (I) TWO REPRESENTATIVES OF CONSUMERS;
9 (II) ONE REPRESENTATIVE OF UNIONS;
10 (III) ONE REPRESENTATIVE OF THE HEALTH INSURANCE INDUSTRY;
11 (IV) AN EMPLOYEE OF THE STATE OF COLORADO OR AN EMPLOYEE
12 OF A POLITICAL SUBDIVISION OF THE STATE OF COLORADO.
13 (d) THE PERSONS WHO APPOINTED MEMBERS OF THE BOARD SHALL
14 JOINTLY CHOOSE THE CHAIR OF THE BOARD BY A MAJORITY VOTE.
15 (2) EACH MEMBER SHALL SERVE A TERM OF FOUR YEARS; EXCEPT
16 THAT EIGHT OF THE MEMBERS SHALL SERVE AN INITIAL TERM OF SIX
17 YEARS. THE APPOINTING AUTHORITIES SHALL DESIGNATE THEIR
18 APPOINTEES' TERMS, WITH THE SENATORS APPOINTING THREE MEMBERS
19 WITH SIX-YEAR TERMS, THE REPRESENTATIVES APPOINTING THREE
20 MEMBERS WITH SIX-YEAR TERMS, AND THE GOVERNOR APPOINTING TWO
21 MEMBERS WITH SIX-YEAR TERMS. EACH MEMBER OF THE BOARD SHALL
22 HOLD OFFICE FOR SUCH MEMBER'S TERM AND UNTIL A SUCCESSOR IS
23 APPOINTED AND QUALIFIED. ANY MEMBER SHALL BE ELIGIBLE FOR
24 REAPPOINTMENT, BUT MEMBERS SHALL NOT BE ELIGIBLE TO SERVE MORE
25 THAN TWO CONSECUTIVE FULL TERMS.
26 (3) (a) IN MAKING APPOINTMENTS TO THE BOARD, THE APPOINTING
27 AUTHORITIES SHALL MAKE GOOD FAITH EFFORTS TO ASSURE:

1 (I) THAT THEIR APPOINTMENTS REFLECT, TO THE GREATEST
2 EXTENT POSSIBLE, THE SOCIAL, DEMOGRAPHIC, AND GEOGRAPHIC
3 DIVERSITY OF THE STATE;
4 (II) THAT THEY HAVE THE EXPERTISE NECESSARY TO EVALUATE,
5 DESIGN, IMPLEMENT, AND ADMINISTER THE ELEMENTS OF THE SYSTEM;
6 AND
7 (III) THAT THEY HAVE THE ABILITY AND COMMITMENT TO OBTAIN
8 INPUT AND ADDITIONAL EXPERTISE FROM THE INTEREST GROUP THAT EACH
9 MEMBER REPRESENTS.
10 (b) THE APPROPRIATE APPOINTING AUTHORITY SHALL FILL ANY
11 VACANCY ON THE BOARD WITHIN THIRTY DAYS AFTER THE VACANCY
12 OCCURS.
13 (4) NO PART OF THE REVENUES OR ASSETS OF THE AUTHORITY
14 SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTED TO, ITS BOARD OR
15 OFFICERS OR ANY OTHER PRIVATE PERSON OR ENTITY; EXCEPT THAT THE
16 AUTHORITY MAY MAKE REASONABLE PAYMENTS FOR EXPENSES INCURRED
17 ON ITS BEHALF RELATING TO ANY OF ITS LAWFUL PURPOSES, INCLUDING
18 FOR THE PROVISION OF HEALTH CARE SERVICES, AND THE AUTHORITY IS
19 AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR
20 SERVICES RENDERED TO OR FOR ITS BENEFIT RELATING TO ANY OF ITS
21 LAWFUL PURPOSES, INCLUDING PER DIEM PAYMENTS TO EACH BOARD
22 MEMBER OR OFFICER FOR EACH MEETING ATTENDED AT THE SAME RATE
23 AUTHORIZED IN SECTION 2-2-317, C.R.S.
24 (5) ANY MEMBER OF THE BOARD WHO HAS AN IMMEDIATE
25 PERSONAL OR FINANCIAL INTEREST IN ANY MATTER BEFORE THE BOARD
26 SHALL DISCLOSE THE FACT TO THE BOARD AND SHALL NOT VOTE UPON THE
27 MATTER.

1 (6) THE BOARD MAY EMPLOY AN EXECUTIVE DIRECTOR OF THE
2 AUTHORITY AND ANY OTHER OFFICERS, CONTRACTORS, AND EMPLOYEES
3 THE BOARD FINDS NECESSARY TO IMPLEMENT THIS ARTICLE.
4 (7) THE BOARD MAY ENTER INTO SUCH CONTRACTS AS ARE
5 NECESSARY OR PROPER TO CARRY OUT THE PROVISIONS AND PURPOSES OF
6 THIS ARTICLE, INCLUDING CONTRACTS WITH APPROPRIATE
7 ADMINISTRATIVE STAFF, CONSULTANTS, AND LEGAL COUNSEL. NO
8 CONTRACT ENTERED INTO PURSUANT TO THIS SUBSECTION (7) SHALL BE
9 SUBJECT TO ARTICLE 103 OF TITLE 24, C.R.S.
10 (8) THE BOARD MAY APPOINT APPROPRIATE LEGAL, ACTUARIAL,
11 AND OTHER COMMITTEES AS NECESSARY TO PROVIDE TECHNICAL
12 ASSISTANCE AND OTHER EXPERTISE AND EXPERIENCE IN THE
13 DEVELOPMENT OF THE SYSTEM.
14 (9) ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE BOARD SHALL
15 REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE
16 SENATE AND THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR
17 COMMITTEES, AND THE GOVERNOR REGARDING THE PROGRESS OF THE
18 SYSTEM, ANY RECOMMENDED LEGISLATIVE CHANGES, AND THE FUTURE
19 GOALS AND PRIORITIES OF THE AUTHORITY.
20 **25.5-9-108. Determination of covered benefits.** (1) USING
21 ACCEPTED EVIDENCE-BASED MEDICINE AND BEST PRACTICES AS A GUIDE,
22 THE AUTHORITY SHALL DETERMINE THE APPROPRIATE MEDICAL BENEFITS
23 COVERED UNDER EACH TIER, WITHIN, BUT NOT LIMITED TO, THE
24 FOLLOWING CATEGORIES:
25 (a) PRIMARY AND PREVENTIVE CARE;
26 (b) INPATIENT CARE;
27 (c) OUTPATIENT CARE;

1 (d) EMERGENCY CARE;
2 (e) PRESCRIPTION DRUGS;
3 (f) DURABLE MEDICAL EQUIPMENT;
4 (g) LONG-TERM CARE;
5 (h) MENTAL HEALTH SERVICES;
6 (i) DENTAL SERVICES;
7 (j) SUBSTANCE ABUSE TREATMENT;
8 (k) CHIROPRACTIC SERVICES;
9 (l) VISION CARE AND CORRECTION; AND
10 (m) HEARING SERVICES AND HEARING AIDS.
11 **25.5-9-109. Gifts, grants, and donations - federal grant**
12 **moneys.** THE BOARD IS AUTHORIZED TO SEEK GIFTS, GRANTS, AND
13 DONATIONS AND FEDERAL GRANT MONEYS FOR THE PURPOSES OF
14 IMPLEMENTING THIS ARTICLE. MONEYS RECEIVED BY THE BOARD SHALL
15 BE TRANSFERRED DIRECTLY TO THE AUTHORITY FOR THE PURPOSES OF THIS
16 ARTICLE. NO MONEYS FROM THE GENERAL FUND SHALL BE USED FOR THE
17 IMPLEMENTATION OF THIS ARTICLE.
18 **25.5-9-110. Duty to seek waivers, exemptions, and agreements.**
19 THE BOARD SHALL SEEK INPUT FROM AND COLLABORATE WITH THE
20 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO SEEK ALL
21 NECESSARY WAIVERS, EXEMPTIONS, AND AGREEMENTS FROM THE FEDERAL
22 GOVERNMENT SO THAT ALL CURRENT LEVELS OF FUNDING FROM THE
23 FEDERAL GOVERNMENT TO THE STATE, COUNTIES, OR LOCAL
24 GOVERNMENTS FOR THE PROVISION AND PAYMENT OF HEALTH CARE
25 SERVICES MAY BE APPROPRIATED TO THE AUTHORITY ONCE THE SYSTEM
26 IS IMPLEMENTED BY BILL OF THE GENERAL ASSEMBLY.
27 **25.5-9-111. Requirements for implementation of the system -**

1 **effective date - repeal.** (1) SECTIONS 25.5-9-101 TO 25.5-9-105,
2 25.5-9-107, 25.5-9-109, AND THIS SECTION SHALL TAKE EFFECT UPON THE
3 EFFECTIVE DATE OF THIS ARTICLE.
4 (2) SECTIONS 25.5-9-106, 25.5-9-108, AND 25.5-9-110 SHALL NOT
5 TAKE EFFECT UNTIL THE BOARD IDENTIFIES AND GUARANTEES THAT
6 SUFFICIENT GIFTS, GRANTS, AND DONATIONS HAVE BEEN RECEIVED TO
7 PLAN AND DEVELOP THE SYSTEM IN ACCORDANCE WITH SAID SECTIONS.
8 UPON IDENTIFICATION AND GUARANTEE THAT THE BOARD HAS RECEIVED
9 SUFFICIENT MONEYS TO IMPLEMENT SAID SECTIONS, THE BOARD SHALL
10 NOTIFY THE REVISOR OF STATUTES, IN WRITING, OF SUCH RECEIPT. IF
11 SUFFICIENT GIFTS, GRANTS, AND DONATIONS ARE NOT IDENTIFIED AND
12 GUARANTEED ON OR BEFORE JULY 1, 2011, SAID SECTIONS SHALL NOT
13 TAKE EFFECT, AND THIS ARTICLE IS REPEALED, EFFECTIVE JULY 1, 2011.
14 (3) IF SECTIONS 25.5-9-106, 25.5-9-108, AND 25.5-9-110 ARE
15 IMPLEMENTED AND THE PLAN FOR THE SYSTEM IS DEVELOPED AND
16 CREATED, THE SYSTEM SHALL NOT BE IMPLEMENTED UNTIL:
17 (a) ALL NECESSARY WAIVERS, EXEMPTIONS, AND AGREEMENTS
18 ARE IN PLACE TO EFFECTIVELY IMPLEMENT THE SYSTEM; AND
19 (b) THE GENERAL ASSEMBLY APPROVES THE IMPLEMENTATION OF
20 THE SYSTEM BY BILL.
21 **SECTION 2. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, and safety.