

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0442.03 Brita Darling x2241

HOUSE BILL 26-1327

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 CONCERNING HEALTH-CARE SUPPORT FOR LARGE EMPLOYERS'
102 WORKERS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the large employer health-care support enterprise (enterprise) to impose, assess, and collect the large employer health-care support fee (enterprise fee) in the amount of \$2,300 for each supported worker for the calendar year. A worker who is receiving medical assistance benefits under the state medical assistance program is a supported worker (supported worker).

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

The business purpose of the enterprise is to help large employers retain supported workers who are not provided employer-sponsored affordable health coverage by using enterprise fee revenue to help finance the costs for medical assistance benefits for large employers' workers. This service reduces lost productivity due to worker illness and training costs to replace workers who may otherwise seek employment that provides affordable health coverage.

An employer is subject to the enterprise fee if the employer is a large employer, which is defined in the bill as an employer that has 500 or more supported workers (large employer). An employer is exempted from paying the enterprise fee if the employer:

- Provides affordable health coverage to all workers working 20 or more hours per week or 80 or more hours per month;
- Is a franchisee of the employer;
- Is a nonprofit employer;
- Is a public employer; or
- Has a collective bargaining agreement with its employees that includes health-care coverage.

Starting with a review of the 2027 calendar year, the department of health care policy and financing (HCPF) shall prepare a large employer report by March of the following calendar year that identifies large employers by their number of supported workers for the preceding calendar year. An employer may contest the employer's identification as a large employer. Once identified, a large employer shall either pay the enterprise fee for each of the large employer's supported workers or demonstrate that it provides affordable health coverage to all workers working 20 or more hours per week or 80 or more hours per month. The enterprise may adjust the amount of the enterprise fee to reflect the cost of the services, for inflation, or for other reasons. A large employer commits a petty offense and is subject to a civil penalty for failure to provide information necessary to calculate the enterprise fee or to either timely pay the enterprise fee or demonstrate that the large employer offers affordable health coverage as specified in the bill.

Enterprise revenue is used to pay for medical assistance benefits for working-age adults under the state medical assistance program and to increase reimbursement rates for health-care providers providing medical assistance program services to ensure worker access to medical services.

The enterprise is governed by the enterprise board, and the enterprise board shall report annually to the general assembly on the enterprise revenue and the enterprise's use of the enterprise revenue in support of large employers.

If the enterprise determines that retaining additional enterprise fee revenue would cause the enterprise to receive more than \$100 million dollars in its first 5 fiscal years, the state treasurer shall credit the additional fee revenue to the large employer fee cash fund created in the

1 WHICH PARTICIPATION KEEPS WORKERS HEALTHY AND REDUCES LOST
2 PRODUCTIVITY DUE TO WORKER ILLNESS; AND

3 (d) FURTHER, THE STATE'S INVESTMENT IN HEALTH CARE FOR
4 LARGE EMPLOYERS' WORKERS BOTH REDUCES COSTS AND INCREASES
5 PROFITS FOR LARGE EMPLOYERS BECAUSE:

6 (I) LARGE EMPLOYERS ARE NOT PROVIDING HEALTH COVERAGE
7 FOR MEDICAL CARE THAT EVERY WORKER NEEDS; AND

8 (II) MEDICAL ASSISTANCE BENEFITS SUPPORT THE RETENTION OF
9 WORKERS IN CERTAIN JOBS AND REDUCE LARGE EMPLOYERS' TRAINING
10 COSTS THAT ARISE WHEN REPLACING WORKERS WHO MAY OTHERWISE
11 SEEK EMPLOYMENT THAT PROVIDES AFFORDABLE HEALTH COVERAGE.

12 (2) THE GENERAL ASSEMBLY DECLARES THAT:

13 (a) THE LARGE EMPLOYER HEALTH-CARE SUPPORT ENTERPRISE
14 PROVIDES VALUABLE BENEFITS AND BUSINESS SERVICES TO LARGE
15 EMPLOYERS BY, IN EXCHANGE FOR PAYING THE LARGE EMPLOYER
16 HEALTH-CARE SUPPORT FEE IMPOSED PURSUANT TO SECTION 25.5-1-1206,
17 USING THE FEE REVENUE TO:

18 (I) IMPROVE THE HEALTH AND PRODUCTIVITY OF WORKERS FOR
19 WHOM A LARGE EMPLOYER DOES NOT PROVIDE AFFORDABLE HEALTH
20 COVERAGE BY SUPPORTING THE COST OF MEDICAL ASSISTANCE BENEFITS
21 FOR THE LARGE EMPLOYER'S WORKERS; AND

22 (II) ENSURE ACCESS TO NECESSARY HEALTH-CARE SERVICES FOR
23 A LARGE EMPLOYER'S WORKERS BY INCREASING HEALTH-CARE PROVIDER
24 REIMBURSEMENT UNDER THE MEDICAL ASSISTANCE PROGRAM;

25 (b) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR WITHIN
26 THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE AS THE
27 LARGE EMPLOYER HEALTH-CARE SUPPORT ENTERPRISE AND THE

1 ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO SECTION
2 24-77-108;

3 (c) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF
4 THE STATE TO ACKNOWLEDGE THAT, BY PROVIDING THE BENEFITS AND
5 SERVICES SPECIFIED IN THIS PART 12, THE LARGE EMPLOYER HEALTH-CARE
6 SUPPORT ENTERPRISE ENGAGES IN ACTIVITIES CONDUCTED IN THE PURSUIT
7 OF A BENEFIT, GAIN, OR LIVELIHOOD AND THEREFORE OPERATES AS A
8 BUSINESS; AND

9 (d) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
10 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
11 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
12 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
13 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES
14 THAT THE REVENUE COLLECTED BY THE ENTERPRISE IS GENERATED BY A
15 FEE, NOT A TAX, BECAUSE THE MONEY CREDITED TO THE ENTERPRISE IS:

16 (I) IMPOSED FOR THE SPECIFIC PURPOSE OF ALLOWING THE
17 ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE BUSINESS SERVICES
18 DESCRIBED IN THIS PART 12;

19 (II) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED
20 BASED ON THE COSTS OF THE SERVICES PROVIDED BY THE ENTERPRISE;
21 AND

22 (III) NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION
23 24-77-102(17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6
24 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR
25 SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE
26 CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN
27 SECTION 24-77-103.6 (6)(b), SO LONG AS THE ENTERPRISE QUALIFIES AS

1 AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE
2 CONSTITUTION.

3 **25.5-1-1203. Definitions.**

4 AS USED IN THIS PART 12, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES:

6 (1) "AFFORDABLE HEALTH COVERAGE" MEANS HEALTH COVERAGE
7 THAT IS EQUIVALENT TO THE MINIMUM ESSENTIAL COVERAGE REQUIRED
8 UNDER THE FEDERAL ACT AND THAT IS AFFORDABLE AND PROVIDES
9 MINIMUM VALUE, AS DETERMINED UNDER THE FEDERAL ACT AS IT EXISTED
10 ON DECEMBER 31, 2025.

11 (2) "BOARD" MEANS THE ENTERPRISE BOARD CREATED IN SECTION
12 25.5-1-1205.

13 (3) "DEPARTMENT OF REVENUE" MEANS THE DEPARTMENT OF
14 REVENUE CREATED IN SECTION 24-1-117.

15 (4) (a) "EMPLOYER" MEANS A PERSON THAT CONDUCTS BUSINESS
16 IN THE STATE.

17 (b) "EMPLOYER" DOES NOT INCLUDE A PERSON THAT:

18 (I) PROVIDES AFFORDABLE HEALTH COVERAGE TO ALL WORKERS
19 WORKING TWENTY OR MORE HOURS EACH WEEK OR EIGHTY OR MORE
20 HOURS EACH MONTH;

21 (II) IS A FRANCHISEE OF THE EMPLOYER;

22 (III) IS A NONPROFIT EMPLOYER;

23 (IV) IS A PUBLIC EMPLOYER, AS DEFINED IN SECTION 29-33-103

24 (6); OR

25 (V) HAS A COLLECTIVE BARGAINING AGREEMENT WITH ITS
26 EMPLOYEES THAT INCLUDES HEALTH-CARE COVERAGE.

27 (5) "ENTERPRISE" MEANS THE LARGE EMPLOYER HEALTH-CARE

1 SUPPORT ENTERPRISE CREATED IN THIS PART 12.

2 (6) "FEDERAL ACT" MEANS THE "PATIENT PROTECTION AND
3 AFFORDABLE CARE ACT", PUB.L. 111-148, AS AMENDED BY THE FEDERAL
4 "HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010", PUB.L.
5 111-152, AS AMENDED, INCLUDING ANY FEDERAL REGULATIONS ADOPTED
6 UNDER THE FEDERAL ACT.

7 (7) "FEE" MEANS THE LARGE EMPLOYER HEALTH-CARE SUPPORT
8 FEE CREATED IN SECTION 25.5-1-1206.

9 (8) "FUND" MEANS THE LARGE EMPLOYER HEALTH-CARE SUPPORT
10 FUND CREATED IN SECTION 25.5-1-1207.

11 (9) (a) "LARGE EMPLOYER" MEANS AN EMPLOYER WITH FIVE
12 HUNDRED OR MORE SUPPORTED WORKERS DURING THE IMMEDIATELY
13 PRECEDING CALENDAR YEAR.

14 (b) FOR PURPOSES OF SUBSECTION (9)(a) OF THIS SECTION, THE
15 DETERMINATION OF THE AVERAGE NUMBER OF WORKERS WHO ARE
16 RECEIVING MEDICAL ASSISTANCE BENEFITS IN THE PRECEDING CALENDER
17 YEAR DOES NOT INCLUDE:

18 (I) A WORKER WHO IS UNDER EIGHTEEN YEARS OLD; OR

19 (II) A WORKER EMPLOYED AS A SEASONAL WORKER, AS DEFINED
20 IN SECTION 8-70-103 (23.6).

21 (10) "MEDICAL ASSISTANCE BENEFITS" MEANS BENEFITS PROVIDED
22 UNDER THE MEDICAL ASSISTANCE PROGRAM TO WORKERS WHO ARE
23 ELIGIBLE FOR BENEFITS PURSUANT TO SECTION 25.5-5-201 (1)(m) OR
24 (1)(p).

25 (11) "MEDICAL ASSISTANCE PROGRAM" MEANS THE STATE
26 MEDICAL ASSISTANCE PROGRAM ESTABLISHED IN ARTICLES 4, 5, AND 6 OF
27 THIS TITLE 25.5.

1 (12) "SUPPORTED WORKERS" MEANS, FOR THE CALENDAR YEAR,
2 THE AVERAGE OF THE NUMBER OF A LARGE EMPLOYER'S WORKERS WHO
3 RECEIVED MEDICAL ASSISTANCE BENEFITS FOR ANY MONTH IN THE
4 CALENDAR YEAR BEGINNING AFTER THE FIRST SIXTY DAYS OF
5 EMPLOYMENT.

6 (13) "WORKER" MEANS:

7 (a) AN EMPLOYEE, AS DEFINED IN SECTION 8-4-101 (5), OF A LARGE
8 EMPLOYER; OR

9 (b) AN INDIVIDUAL WHO WORKS FOR AN ENTITY THAT HAS FIVE OR
10 MORE INDEPENDENT CONTRACTORS IN THE STATE EACH YEAR, WHICH
11 ENTITY IS ENGAGED IN THE PRIMARY WORK OF THE LARGE EMPLOYER.

12 **25.5-1-1204. Large employer health-care support enterprise**
13 **- creation - purpose - reporting - repeal.**

14 (1) THERE IS CREATED THE LARGE EMPLOYER HEALTH-CARE
15 SUPPORT ENTERPRISE. THE ENTERPRISE IS AND OPERATES AS A
16 GOVERNMENT-OWNED BUSINESS WITHIN THE STATE DEPARTMENT FOR THE
17 PURPOSE OF CONDUCTING THE BUSINESS ACTIVITIES DESCRIBED IN
18 SUBSECTION (2) OF THIS SECTION. THE ENTERPRISE IS A **TYPE 1** ENTITY, AS
19 DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS
20 ITS DUTIES AND FUNCTIONS UNDER THE STATE DEPARTMENT.

21 (2) THE ENTERPRISE IS CREATED FOR THE BUSINESS PURPOSE OF
22 IMPOSING, ASSESSING, AND COLLECTING THE LARGE EMPLOYER
23 HEALTH-CARE SUPPORT FEE PURSUANT TO SECTION 25.5-1-1206 AND TO
24 USE THE FEE REVENUE TO SUPPORT THE HEALTH, PRODUCTIVITY, AND
25 RETENTION OF A LARGE EMPLOYER'S SUPPORTED WORKERS BY:

26 (a) PROVIDING AND MAINTAINING ELIGIBILITY FOR MEDICAL
27 ASSISTANCE BENEFITS FOR WORKING-AGE ADULTS WHO ARE:

1 (I) PARENTS OR CARETAKER RELATIVES AND WHO ARE ELIGIBLE
2 FOR MEDICAL ASSISTANCE BENEFITS PURSUANT TO SECTION 25.5-5-201
3 (1)(m); OR

4 (II) ADULTS WHO ARE CHILDLESS OR WITHOUT A DEPENDENT
5 CHILD IN THE HOME AND WHO ARE ELIGIBLE FOR MEDICAL ASSISTANCE
6 BENEFITS PURSUANT TO SECTION 25.5-5-201 (1)(p); AND

7 (b) MAINTAINING SUPPORTED WORKERS' ACCESS TO HEALTH-CARE
8 SERVICES BY INCREASING HEALTH-CARE PROVIDER REIMBURSEMENT
9 RATES UNDER THE MEDICAL ASSISTANCE PROGRAM.

10 (3) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES
11 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT
12 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS
13 THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS, AS DEFINED IN
14 SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND LOCAL
15 GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE,
16 THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE
17 STATE CONSTITUTION.

18 (4) IN FURTHERANCE OF THE BUSINESS PURPOSES OF THE
19 ENTERPRISE AND TO FULLY EXERCISE ITS POWERS AND DUTIES THROUGH
20 THE BOARD, THE ENTERPRISE HAS THE POWER AND DUTY TO:

21 (a) IMPOSE, ASSESS, AND COLLECT THE LARGE EMPLOYER
22 HEALTH-CARE SUPPORT FEE PURSUANT TO SECTION 25.5-1-1206;

23 (b) ISSUE REVENUE BONDS PAYABLE FROM THE REVENUE OF THE
24 ENTERPRISE;

25 (c) PAY THE REASONABLE, DIRECT, AND INDIRECT ADMINISTRATIVE
26 COSTS OF THE ENTERPRISE, INCLUDING THE REASONABLE ADMINISTRATIVE
27 COSTS OF THE STATE DEPARTMENT AND THE DEPARTMENT OF REVENUE IN

1 CONNECTION WITH THEIR DUTIES RELATING TO THE FEE;

2 (d) (I) ENTER INTO CONTRACTS WITH THIRD PARTIES, INCLUDING
3 THE STATE DEPARTMENT, TO ENGAGE THE SERVICES OF PUBLIC OR PRIVATE
4 ENTITIES, CONTRACTORS, OR CONSULTANTS FOR PROFESSIONAL AND
5 TECHNICAL ASSISTANCE AND TO PROVIDE ADVICE AND OTHER SERVICES
6 RELATED TO CONDUCTING THE AFFAIRS OF THE ENTERPRISE, WITHOUT
7 REGARD TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE
8 24. THE ENTERPRISE SHALL GENERALLY AVOID USING SINGLE-SOURCE
9 BIDS.

10 (II) THE STATE DEPARTMENT SHALL PROVIDE OFFICE SPACE AND
11 ADMINISTRATIVE STAFF TO THE ENTERPRISE, AS NEEDED, AT FAIR MARKET
12 RATES, PURSUANT TO A CONTRACT ENTERED INTO PURSUANT TO THIS
13 SUBSECTION (4)(d).

14 (e) ADOPT, AMEND, OR REPEAL RULES OR POLICIES FOR THE
15 REGULATION OF THE ENTERPRISE'S AFFAIRS AND THE CONDUCT OF THE
16 ENTERPRISE'S BUSINESS CONSISTENT WITH THIS PART 12;

17 (f) ENGAGE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL
18 SERVICES;

19 (g) ENFORCE THIS PART 12, INCLUDING ASSESSING CIVIL
20 PENALTIES;

21 (h) PREPARE AND SUBMIT AN ANNUAL REPORT OF THE
22 ENTERPRISE'S ACTIVITIES AND FUNDING PURSUANT TO SUBSECTION (6) OF
23 THIS SECTION;

24 (i) SEEK, ACCEPT, AND EXPEND GRANTS OR OTHER MONEY FROM
25 THE FEDERAL GOVERNMENT AND GIFTS, GRANTS, OR DONATIONS FROM
26 OTHER PUBLIC AND PRIVATE SOURCES TO SUPPORT AND ENHANCE
27 ENTERPRISE ACTIVITIES; EXCEPT THAT THE ENTERPRISE SHALL NOT ACCEPT

1 GRANTS FROM THE STATE OR FROM LOCAL GOVERNMENTS UNLESS THE
2 COMBINED TOTAL OF ALL GRANTS FROM SUCH SOURCES IS UNDER TEN
3 PERCENT OF THE ENTERPRISE'S ANNUAL REVENUE; AND

4 (j) EXERCISE ALL RIGHTS AND POWERS NECESSARY OR INCIDENTAL
5 TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES GRANTED IN THIS
6 PART 12.

7 (5) (a) (I) ON OR AFTER THE EFFECTIVE DATE OF THIS PART 12, THE
8 STATE TREASURER MAY TRANSFER UP TO NINETY-FIVE THOUSAND
9 DOLLARS FROM THE GENERAL FUND TO THE FUND FOR THE PURPOSE OF
10 DEFRAYING EXPENSES INCURRED BY THE ENTERPRISE BEFORE IT RECEIVES
11 FEE REVENUE OR REVENUE BOND PROCEEDS. NOTWITHSTANDING ANY
12 OTHER LAW, THE ENTERPRISE MAY ACCEPT AND EXPEND ANY MONEY SO
13 TRANSFERRED, AND, NOTWITHSTANDING ANY STATE FISCAL RULE OR
14 GENERALLY ACCEPTED ACCOUNTING PRINCIPLE THAT COULD OTHERWISE
15 BE INTERPRETED TO REQUIRE A CONTRARY CONCLUSION, THE TRANSFER
16 IS A LOAN FROM THE STATE TREASURER TO THE ENTERPRISE THAT IS
17 REQUIRED TO BE REPAID AND IS NOT A GRANT FOR PURPOSES OF SECTION
18 20 (2)(d) OF ARTICLE X OF THE STATE CONSTITUTION OR AS DEFINED IN
19 SECTION 24-77-102 (7). ALL MONEY TRANSFERRED AS A LOAN TO THE
20 ENTERPRISE IS CREDITED TO THE FUND OR TO AN ACCOUNT WITHIN THE
21 FUND. LOAN LIABILITIES THAT ARE RECORDED IN THE FUND BUT THAT ARE
22 NOT REQUIRED TO BE PAID IN THE CURRENT FISCAL YEAR SHALL NOT BE
23 CONSIDERED WHEN CALCULATING SUFFICIENT STATUTORY FUND BALANCE
24 FOR PURPOSES OF SECTION 24-75-109.

25 (II) NO LATER THAN JULY 1, 2029, THE ENTERPRISE SHALL REPAY
26 THE LOAN RECEIVED PURSUANT TO SUBSECTION (5)(a)(I) OF THIS SECTION
27 AND ACCUMULATED INTEREST. INTEREST ACCRUES ON THE MONEY

1 BORROWED AT A RATE PER ANNUM ON THE MOST RECENTLY ISSUED
2 TEN-YEAR UNITED STATES TREASURY NOTE, ROUNDED TO THE NEAREST
3 ONE-TENTH OF ONE PERCENT, AS REPORTED BY THE "WALL STREET
4 JOURNAL" AS OF THE DATE THE TRANSFER IS MADE, BEGINNING ON THAT
5 DATE AND CONTINUING UNTIL THE DATE ON WHICH THE MONEY IS REPAYED.

6 (b) THIS SUBSECTION (5) IS REPEALED, EFFECTIVE JULY 1, 2030.

7 (6) THE ENTERPRISE SHALL PREPARE AN ANNUAL REPORT
8 REGARDING ITS ACTIVITIES AND FUNDING AND PRESENT THE REPORT TO
9 THE HOUSE OF REPRESENTATIVES HEALTH AND HUMAN SERVICES
10 COMMITTEE AND THE SENATE HEALTH AND HUMAN SERVICES COMMITTEE,
11 OR THEIR SUCCESSOR COMMITTEES. THE ENTERPRISE SHALL ALSO POST
12 THE ANNUAL REPORT ON A PUBLIC-FACING WEBSITE. NOTWITHSTANDING
13 THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO
14 SUBMIT A REPORT PURSUANT TO THIS SUBSECTION (6) CONTINUES
15 INDEFINITELY.

16 (7) (a) THE ENTERPRISE BOARD IS SUBJECT TO THE OPEN MEETINGS
17 PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972", CONTAINED IN
18 PART 4 OF ARTICLE 6 OF TITLE 24. EXCEPT AS MAY OTHERWISE BE
19 PROVIDED BY FEDERAL LAW OR STATE LAW, THE RECORDS OF THE
20 ENTERPRISE ARE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6),
21 AND ARE SUBJECT TO THE "COLORADO OPEN RECORDS ACT", PART 2 OF
22 ARTICLE 72 OF TITLE 24.

23 (b) NOTHING IN THIS PART 12 AUTHORIZES THE DISCLOSURE TO
24 THE PUBLIC BY THE ENTERPRISE, THE BOARD, THE STATE, OR AN EMPLOYER
25 OR ITS AGENT OF ANY INFORMATION THAT WOULD IDENTIFY A SPECIFIC
26 WORKER OR A SPECIFIC WORKER'S STATUS AS A RECIPIENT OF MEDICAL
27 ASSISTANCE BENEFITS.

1 (8) THE ENTERPRISE IS A PUBLIC ENTITY FOR PURPOSES OF PART 2
2 OF ARTICLE 57 OF TITLE 11.

3 **25.5-1-1205. Enterprise board of directors - creation -**
4 **appointment - duties - rules - repeal.**

5 (1) THE LARGE EMPLOYER HEALTH-CARE SUPPORT ENTERPRISE IS
6 GOVERNED BY THE ENTERPRISE BOARD OF DIRECTORS. THE BOARD
7 CONSISTS OF THE FOLLOWING SEVEN VOTING MEMBERS:

8 (a) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S
9 DESIGNEE; AND

10 (b) SIX MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE
11 AND CONSENT OF THE SENATE, INCLUDING:

12 (I) TWO MEMBERS WHO ARE HEALTH-CARE PROVIDERS WHO SERVE
13 PATIENTS WHO RECEIVE MEDICAL ASSISTANCE BENEFITS;

14 (II) ONE MEMBER WHO IS A WORKER WHO RECEIVES OR HAS
15 RECEIVED MEDICAL ASSISTANCE BENEFITS WHILE EMPLOYED;

16 (III) ONE MEMBER WHO REPRESENTS A LOCAL CHAMBER OF
17 COMMERCE;

18 (IV) ONE MEMBER WHO REPRESENTS A LARGE EMPLOYER; AND

19 (V) ONE MEMBER WHO REPRESENTS A COUNTY DEPARTMENT OF
20 HUMAN OR SOCIAL SERVICES.

21 (2)(a) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION, OF
22 THE FIRST MEMBERS APPOINTED TO THE BOARD PURSUANT TO SUBSECTION
23 (1)(b) OF THIS SECTION, TWO MEMBERS SHALL SERVE AN INITIAL TERM OF
24 TWO YEARS.

25 (b) THE GOVERNOR SHALL MAKE THE INITIAL APPOINTMENTS TO
26 THE BOARD NO LATER THAN NOVEMBER 1, 2026.

27 (c) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2027.

1 (3) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S
2 DESIGNEE IS THE CHAIR OF THE BOARD.

3 (4) (a) MEMBERS OF THE BOARD APPOINTED BY THE GOVERNOR
4 SERVE THREE-YEAR TERMS AND SERVE AT THE PLEASURE OF THE
5 GOVERNOR AND MAY BE REMOVED BY THE GOVERNOR. A MEMBER OF THE
6 BOARD MAY SERVE AN UNLIMITED NUMBER OF CONSECUTIVE TERMS.

7 (b) A MEMBER APPOINTED TO FILL A VACANCY SERVES THE
8 REMAINDER OF THE UNEXPIRED TERM OF THE MEMBER WHOSE VACANCY
9 IS BEING FILLED.

10 (c) MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION BUT
11 MAY BE REIMBURSED FROM MONEY IN THE FUND FOR ACTUAL,
12 REASONABLE, AND NECESSARY EXPENSES, INCLUDING TRAVEL, FOOD, AND
13 LODGING, INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES
14 PURSUANT TO THIS PART 12.

15 (5) THE BOARD SHALL MEET AS OFTEN AS NECESSARY TO CARRY
16 OUT ITS DUTIES. THE BOARD IS AUTHORIZED TO:

17 (a) IMPLEMENT AND ADMINISTER THE ENTERPRISE;

18 (b) ESTABLISH BYLAWS, AS APPROPRIATE AND CONSISTENT WITH
19 THIS PART 12, FOR THE BOARD'S EFFECTIVE OPERATION;

20 (c) ESTABLISH ADMINISTRATIVE AND ACCOUNTING PROCEDURES
21 FOR THE OPERATION OF THE ENTERPRISE;

22 (d) ASSESS CIVIL PENALTIES PURSUANT TO SECTION 25.5-1-1206
23 (8); AND

24 (e) ADOPT RULES OR POLICIES CONCERNING:

25 (I) THE DETERMINATION AND CALCULATION OF AN EMPLOYER'S
26 SUPPORTED WORKERS;

27 (II) THE DETERMINATION OF THE AMOUNT OF THE FEE PAID BY

1 EACH LARGE EMPLOYER; AND

2 (III) THE USE OF ENTERPRISE REVENUE TO MAINTAIN MEDICAL
3 ASSISTANCE BENEFITS FOR INDIVIDUALS WHO ARE SUPPORTED WORKERS
4 AND TO INCREASE PROVIDER REIMBURSEMENT RATES FOR PROVIDERS OF
5 MEDICAL ASSISTANCE BENEFITS WHO SERVE SUPPORTED WORKERS.

6 **25.5-1-1206. Large employer health-care support fee - annual**
7 **large employer report - imposition and collection of enterprise fee -**
8 **petty offense - civil penalty - rules.**

9 (1) FOR THE 2027 CALENDAR YEAR, AND CONTINUING EACH
10 CALENDAR YEAR THEREAFTER, THE ENTERPRISE SHALL IMPOSE, ASSESS,
11 AND COLLECT THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE FROM
12 EACH LARGE EMPLOYER.

13 (2)(a) IN FURTHERANCE OF THE ENTERPRISE IMPOSING, ASSESSING,
14 AND COLLECTING THE FEE, THE STATE DEPARTMENT SHALL:

15 (I) NO LATER THAN MARCH 1, 2028, AND NO LATER THAN EACH
16 MARCH 1 THEREAFTER IN THE YEAR FOLLOWING THE APPLICABLE
17 CALENDAR YEAR, PUBLISH, AND MAKE PUBLICLY AVAILABLE UPON
18 REQUEST, A REPORT THAT IDENTIFIES EACH LARGE EMPLOYER FOR THE
19 PRECEDING CALENDAR YEAR, INCLUDING:

20 (A) THE LARGE EMPLOYER'S EMPLOYER IDENTIFICATION NUMBER;
21 AND

22 (B) THE NUMBER OF SUPPORTED WORKERS; AND

23 (II) PERMIT AN EMPLOYER TO CONTEST THE STATE DEPARTMENT'S
24 IDENTIFICATION OF THE EMPLOYER AS A LARGE EMPLOYER FOR THE
25 PRECEDING CALENDAR YEAR BY JUNE 1 OF THE FOLLOWING CALENDAR
26 YEAR; EXCEPT THAT, IF JUNE 1 FALLS ON A WEEKEND OR STATE OR
27 FEDERAL HOLIDAY, AN EMPLOYER MAY CONTEST SUCH IDENTIFICATION BY

1 THE NEXT BUSINESS DAY.

2 (b) THE STATE DEPARTMENT SHALL DETERMINE THE NUMBER OF
3 SUPPORTED WORKERS FOR EACH EMPLOYER USING AVAILABLE
4 ADMINISTRATIVE DATA. THE STATE DEPARTMENT MAY ENTER INTO
5 DATA-SHARING AGREEMENTS WITH OTHER STATE AGENCIES AS NECESSARY
6 TO IMPLEMENT THIS SECTION.

7 (3) (a) NO LATER THAN AUGUST 1, 2028, AND NO LATER THAN
8 AUGUST 1 THEREAFTER IN THE YEAR FOLLOWING THE APPLICABLE
9 CALENDAR YEAR, A LARGE EMPLOYER SHALL EITHER:

10 (I) PAY THE FEE IN THE AMOUNT OF TWO THOUSAND THREE
11 HUNDRED DOLLARS FOR EACH OF THE LARGE EMPLOYER'S SUPPORTED
12 WORKERS, WHICH FEE AMOUNT THE ENTERPRISE MAY ADJUST PURSUANT
13 TO SUBSECTION (4) OF THIS SECTION; OR

14 (II) (A) DEMONSTRATE THAT AFFORDABLE HEALTH COVERAGE IS
15 OFFERED BY OR THROUGH THE LARGE EMPLOYER TO A WORKER WHO
16 WORKS TWENTY OR MORE HOURS PER WEEK OR EIGHTY OR MORE HOURS
17 PER MONTH.

18 (B) NOTWITHSTANDING SUBSECTION (3)(a)(II)(A) OF THIS
19 SECTION, THE OPTION DESCRIBED IN SUBSECTION (3)(a)(II)(A) OF THIS
20 SECTION IS NOT AVAILABLE TO THE LARGE EMPLOYER IF THE LARGE
21 EMPLOYER SELECTS THIS OPTION IN ANY YEAR AND THEN CEASES
22 OFFERING AFFORDABLE HEALTH COVERAGE TO WORKERS IDENTIFIED IN
23 SUBSECTION (3)(a)(II)(A) OF THIS SECTION IN ANY OF THE SUBSEQUENT
24 THREE YEARS.

25 (b) THE DEPARTMENT OF REVENUE SHALL COLLECT THE LARGE
26 EMPLOYER HEALTH-CARE SUPPORT FEE FROM LARGE EMPLOYERS ON
27 BEHALF OF THE ENTERPRISE.

1 (c) MONEY THAT THE DEPARTMENT OF REVENUE COLLECTS
2 PURSUANT TO THIS SECTION IS CUSTODIAL MONEY HELD TEMPORARILY BY
3 THE DEPARTMENT OF REVENUE AND THE STATE TREASURER SOLELY FOR
4 THE PURPOSE OF TRANSFERRING THE MONEY TO:

5 (I) THE LARGE EMPLOYER HEALTH-CARE SUPPORT FUND FOR USE
6 BY THE ENTERPRISE; OR

7 (II) THE LARGE EMPLOYER FEE CASH FUND CREATED IN SECTION
8 25.5-4-217 FOR THE PURPOSES SPECIFIED IN SECTION 25.5-4-217.

9 (d) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, THE
10 MONEY COLLECTED AND TRANSFERRED TO THE LARGE EMPLOYER
11 HEALTH-CARE SUPPORT FUND IS NOT SUBJECT TO SECTION 20 OF ARTICLE
12 X OF THE STATE CONSTITUTION AT ANY TIME DURING THE MONEY'S
13 COLLECTION, TRANSFER, AND USE.

14 (4) THE ENTERPRISE MAY ANNUALLY ADJUST THE FEE AMOUNT SET
15 FORTH IN SUBSECTION (3)(a)(I) OF THIS SECTION FOR INFLATION, TO
16 REFLECT THE COST OF SERVICES PROVIDED TO LARGE EMPLOYERS, OR FOR
17 OTHER REASONS DETERMINED BY THE BOARD.

18 (5) (a) IF THE ENTERPRISE DETERMINES THAT RETAINING
19 ADDITIONAL ENTERPRISE FEE REVENUE WOULD CAUSE THE ENTERPRISE TO
20 RECEIVE MORE THAN ONE HUNDRED MILLION DOLLARS IN TOTAL FEE
21 REVENUE, FOR PURPOSES OF SECTION 24-77-108, IN ITS FIRST FIVE FISCAL
22 YEARS, WHICH FIVE-YEAR PERIOD ENDS ON JULY 1, 2030, THE ENTERPRISE
23 SHALL NOTIFY THE STATE TREASURER. UPON RECEIVING NOTIFICATION
24 FROM THE ENTERPRISE, THE STATE TREASURER SHALL CREDIT ANY
25 ADDITIONAL ENTERPRISE FEE REVENUE COLLECTED BY THE DEPARTMENT
26 OF REVENUE BEFORE JULY 1, 2030, TO THE LARGE EMPLOYER FEE CASH
27 FUND CREATED IN SECTION 25.5-4-217.

1 (b) AS A RESULT OF THE STATE TREASURER CREDITING A PORTION
2 OF THE ENTERPRISE FEE REVENUE TO THE LARGE EMPLOYER FEE CASH
3 FUND PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION, THE ENTERPRISE
4 DOES NOT RECEIVE MORE THAN ONE HUNDRED MILLION DOLLARS IN TOTAL
5 FEE REVENUE IN ITS FIRST FIVE FISCAL YEARS FOR PURPOSES OF SECTION
6 24-77-108, AND, THEREFORE, AS A RESULT OF IMPOSING THE ENTERPRISE
7 FEE, THE ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL AND IS NOT
8 REQUIRED TO STOP COLLECTING FEES AND SURCHARGES PURSUANT TO
9 SECTION 24-77-108.

10 (6) THE ENTERPRISE MAY PAY, FROM FEE REVENUE AND CIVIL
11 PENALTIES RECEIVED BY THE ENTERPRISE, REASONABLE AND NECESSARY
12 DIRECT AND INDIRECT EXPENSES RELATING TO:

13 (a) THE STATE DEPARTMENT'S DUTIES SPECIFIED IN SUBSECTION (2)
14 OF THIS SECTION, INCLUDING THE PREPARATION OF AN ANNUAL LARGE
15 EMPLOYER REPORT AND, IF AN EMPLOYER CONTESTS THE EMPLOYER'S
16 IDENTIFICATION AS A LARGE EMPLOYER PURSUANT TO SUBSECTION (2)(a)
17 OF THIS SECTION, AN EMPLOYER DATA REVIEW; AND

18 (b) THE DEPARTMENT OF REVENUE'S COLLECTION OF THE FEE AND
19 CIVIL PENALTIES FROM LARGE EMPLOYERS AND TRANSMITTAL OF THE FEE
20 AND CIVIL PENALTIES TO THE STATE TREASURER PURSUANT TO
21 SUBSECTIONS (3)(b) AND (8)(c) OF THIS SECTION.

22 (7) FOR PURPOSES OF IMPOSING, ASSESSING, AND COLLECTING THE
23 FEE, AN EMPLOYER SHALL COMPLY WITH REQUESTS FOR DATA FROM THE
24 ENTERPRISE, THE STATE DEPARTMENT, AND THE DEPARTMENT OF
25 REVENUE.

26 (8) (a) A LARGE EMPLOYER THAT FAILS TO COMPLY WITH
27 SUBSECTION (3) OR (7) OF THIS SECTION:

1 (I) COMMITS A PETTY OFFENSE AND SHALL BE PUNISHED IN
2 ACCORDANCE WITH SECTION 18-1.3-503; AND

3 (II) SHALL BE ASSESSED A CIVIL PENALTY BY THE ENTERPRISE IN
4 AN AMOUNT EQUAL TO THE FEE AMOUNT DESCRIBED IN SUBSECTION
5 (3)(a)(I) OF THIS SECTION FOR EACH SUPPORTED WORKER.

6 (b) NOTWITHSTANDING SUBSECTION (8)(a)(II) OF THIS SECTION,
7 THE ENTERPRISE MAY WAIVE OR REDUCE THE CIVIL PENALTY IF A LARGE
8 EMPLOYER'S FAILURE TO PAY THE FEE OR TO PROVIDE INFORMATION
9 REQUIRED PURSUANT TO SUBSECTION (7) OF THIS SECTION IS DUE TO
10 REASONABLE CAUSE AND NOT WILLFUL NEGLIGENCE OR INTENT TO DEFRAUD.

11 (c) A LARGE EMPLOYER ASSESSED A CIVIL PENALTY PURSUANT TO
12 THIS SUBSECTION (8) SHALL PAY THE CIVIL PENALTY TO THE DEPARTMENT
13 OF REVENUE. THE DEPARTMENT OF REVENUE SHALL TRANSMIT THE CIVIL
14 PENALTY TO THE STATE TREASURER WHO SHALL CREDIT THE CIVIL
15 PENALTY TO THE FUND.

16 **25.5-1-1207. Large employer health-care support fund -**
17 **creation - use of money.**

18 (1) THERE IS CREATED IN THE STATE TREASURY THE LARGE
19 EMPLOYER HEALTH-CARE SUPPORT FUND. THE FUND CONSISTS OF:

20 (a) MONEY RECEIVED FROM THE FEE;

21 (b) MONEY RECEIVED FROM THE SALE OF REVENUE BONDS ISSUED
22 BY THE ENTERPRISE;

23 (c) CIVIL PENALTIES ASSESSED AND COLLECTED PURSUANT TO
24 SECTION 25.5-1-1206 (8);

25 (d) MONEY LOANED TO THE ENTERPRISE PURSUANT TO SECTION
26 25.5-1-1204 (5);

27 (e) ANY GIFTS, GRANTS, DONATIONS, OR OTHER MONEY RECEIVED

1 BY THE ENTERPRISE;

2 (f) MONEY APPROPRIATED TO THE FUND BY THE GENERAL
3 ASSEMBLY; AND

4 (g) INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
5 INVESTMENT OF MONEY IN THE FUND.

6 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
7 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
8 FUND TO THE FUND.

9 (3) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
10 ASSEMBLY, THE ENTERPRISE MAY EXPEND MONEY FROM THE FUND FOR:

11 (a) THE PURPOSES SPECIFIED IN SECTION 25.5-1-1204 (4); AND

12 (b) ANY OTHER PURPOSES SPECIFIED IN THIS PART 12.

13 **SECTION 2.** In Colorado Revised Statutes, **add** 25.5-4-217 as
14 follows:

15 **25.5-4-217. Large employer fee cash fund - created - use of**
16 **money - reporting - definitions.**

17 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
18 OTHERWISE REQUIRES:

19 (a) "ENTERPRISE" MEANS THE LARGE EMPLOYER HEALTH-CARE
20 SUPPORT ENTERPRISE CREATED IN SECTION 25.5-1-1204.

21 (b) "ENTERPRISE FEE" MEANS THE LARGE EMPLOYER HEALTH-CARE
22 SUPPORT FEE IMPOSED PURSUANT TO SECTION 25.5-1-1206.

23 (c) "FUND" MEANS THE LARGE EMPLOYER FEE CASH FUND
24 CREATED IN SUBSECTION (2) OF THIS SECTION.

25 (2) (a) THE LARGE EMPLOYER FEE CASH FUND IS CREATED IN THE
26 STATE TREASURY.

27 (b) THE FUND CONSISTS OF ENTERPRISE FEE REVENUE CREDITED TO

1 THE FUND PURSUANT TO SECTION 25.5-1-1206 (5)(a) AND ANY OTHER
2 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER
3 TO THE FUND.

4 (c) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
5 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
6 FUND TO THE FUND.

7 (3) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
8 ASSEMBLY, THE STATE DEPARTMENT MAY EXPEND MONEY FROM THE FUND
9 FOR THE PURPOSES SPECIFIED IN SECTION 25.5-1-1204 (2).

10 (4) NOTHING IN THIS SECTION OR IN PART 12 OF ARTICLE 1 OF THIS
11 TITLE 25.5 SHALL BE CONSTRUED TO ESTABLISH THE FUND AS AN
12 ENTERPRISE FUND.

13 **SECTION 3.** In Colorado Revised Statutes, 24-75-402, **amend**
14 (5)(mmm) and (5)(nnn); and **add** (5)(ooo) as follows:

15 **24-75-402. Cash funds - limit on uncommitted reserves -**
16 **reduction in the amount of fees - exclusions - definitions.**

17 (5) Notwithstanding any provision of this section to the contrary,
18 the following cash funds are excluded from the limitations specified in
19 this section:

20 (mmm) The reentry services for justice-involved individuals
21 reinvestment cash fund created in section 25.5-4-505.7; ~~and~~

22 (nnn) The health-related social needs reinvestment cash fund
23 created in section 25.5-5-340; AND

24 (ooo) THE LARGE EMPLOYER FEE CASH FUND CREATED IN SECTION
25 25.5-4-217.

26 **SECTION 4.** In Colorado Revised Statutes, 39-21-113, **add** (40)
27 as follows:

1 **39-21-113. Reports and returns - rule - repeal.**

2 (40) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE
3 EXECUTIVE DIRECTOR MAY PROVIDE TO THE DEPARTMENT OF HEALTH
4 CARE POLICY AND FINANCING SUCH DETAILED TAXPAYER INFORMATION
5 PERTINENT TO IMPOSING, ASSESSING, AND COLLECTING THE LARGE
6 EMPLOYER HEALTH-CARE SUPPORT FEE PURSUANT TO SECTION
7 25.5-1-1206. ANY INFORMATION PROVIDED PURSUANT TO THIS
8 SUBSECTION (40) MUST REMAIN CONFIDENTIAL, AND ALL PERSONS ARE
9 SUBJECT TO THE LIMITATIONS SPECIFIED IN SUBSECTION (4) OF THIS
10 SECTION AND THE PENALTIES SPECIFIED IN SUBSECTION (6) OF THIS
11 SECTION.

12 **SECTION 5. Safety clause.** The general assembly finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, or safety or for appropriations for
15 the support and maintenance of the departments of the state and state
16 institutions.