

CHAPTER 21

INSURANCE

HOUSE BILL 93-1041

BY REPRESENTATIVES Anderson, Adkins, Agler, Allen, Coffman, Dyer, Eisenach, Fleming, Foster, Gordon, Hagedorn, T. Hernandez, Jerke, Kaufman, Keller, Kerns, Knox, Lawrence, Lyle, May, Moellenberg, Morrison, Nichol, Owen, Piffner, Pierson, Prinster, Reeser, Schauer, Shoemaker, Strom, Sullivan, Taylor, and Tucker;
also SENATORS Schroeder, Blickensderfer, Casey, Traylor, and Weissmann.

AN ACT**CONCERNING ENACTMENT OF THE "UNIFORM BILLING AND ELECTRONIC DATA EXCHANGE ACT"
FOR HEALTH CARE COVERAGE.**

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

SECTION 1. Part 1 of article 1 of title 10, Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

10-1-131. Uniform billing and electronic data exchange act - advisory board - creation. (1) THIS SECTION SHALL BE KNOWN AND MAY BE CITED AS THE "UNIFORM BILLING AND ELECTRONIC DATA EXCHANGE ACT".

(2) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT THE SPIRALING COST OF HEALTH CARE IS CAUSED, IN PART, BY THE DUPLICATIVE AND UNNECESSARILY BURDENSOME BILLING AND ADMINISTRATIVE PROCEDURES OF THIRD-PARTY PAYERS, INSURERS, AND PROVIDERS. THE GENERAL ASSEMBLY FURTHER FINDS, DETERMINES, AND DECLARES THAT COLORADO RESIDENTS WOULD BENEFIT FROM THE COST SAVINGS TO BE REALIZED FROM A STREAMLINED, UNIFORM ELECTRONIC SYSTEM FOR HEALTH CARE CLAIM PROCESSING AND, THEREFORE, THAT THE DEVELOPMENT OF A UNIFORM AND INTEGRATED ELECTRONIC SYSTEM FOR BILLING AND PAYING CLAIMS AND EXCHANGING RELATED INFORMATION AMONG HEALTH CARE PROVIDERS, EMPLOYERS, AND PAYERS IS DESIRABLE.

(3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "HEALTH CARE CARRIER" SHALL INCLUDE, BUT NOT BE LIMITED TO, A SICKNESS AND ACCIDENT INSURER, A HEALTH MAINTENANCE ORGANIZATION, A NONPROFIT HOSPITAL, MEDICAL-SURGICAL, AND HEALTH SERVICE CORPORATION, OR ANY OTHER TYPE OF ENTITY PROVIDING HEALTH BENEFIT COVERAGE.

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

(4) (a) THE COMMISSIONER SHALL APPOINT THE UNIFORM BILLING AND ELECTRONIC DATA EXCHANGE ADVISORY BOARD, WHICH IS HEREBY CREATED, TO ENCOURAGE THE DEVELOPMENT AND IMPLEMENTATION OF A COMPREHENSIVE, UNIFORM ELECTRONIC SYSTEM FOR BILLING AND PAYING CLAIMS AND EXCHANGING RELATED INFORMATION AMONG HEALTH CARE PROVIDERS, HEALTH CARE CARRIERS, THIRD-PARTY PAYERS, AND EMPLOYERS.

(b) TO ENSURE A COORDINATED AND COMPREHENSIVE APPROACH, THE MEMBERSHIP OF THE ADVISORY BOARD SHALL BE BROADLY BASED AND SHALL INCLUDE REPRESENTATIVES OF THE HEALTH CARE INDUSTRY, THE INSURANCE INDUSTRY, GOVERNMENTAL REGULATORY ENTITIES, AND PAYERS.

(5) THE ADVISORY BOARD SHALL COORDINATE A STATEWIDE, VOLUNTARY EFFORT TO ESTABLISH A UNIFORM SYSTEM FOR ELECTRONIC BILLING, CLAIM PROCESSING, AND INFORMATION EXCHANGE WITHIN THE HEALTH CARE AND INSURANCE INDUSTRIES. THE ADVISORY BOARD SHALL DEVELOP AN IMPLEMENTATION PLAN BY JUNE 30, 1993.

(6) (a) THE ADVISORY BOARD IS AUTHORIZED TO FACILITATE THE ESTABLISHMENT OF PILOT ELECTRONIC DATA INTERCHANGE (EDI) PROJECTS IN COLORADO.

(b) IT IS THE DETERMINATION OF THE GENERAL ASSEMBLY THAT FUNDING FOR THE PROVISIONS OF THIS SECTION SHALL ONLY BE FROM SOURCES EXEMPT FROM THE DEFINITION OF "FISCAL YEAR SPENDING", AS SAID TERM IS DEFINED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION. THE DIVISION OF INSURANCE, THE DEPARTMENT OF SOCIAL SERVICES, THE DEPARTMENT OF LABOR AND EMPLOYMENT, THE DEPARTMENT OF HEALTH, AND THE COLORADO HEALTH DATA COMMISSION ARE AUTHORIZED TO ACCEPT AND EXPEND GIFTS AND FEDERAL FUNDS ON BEHALF OF THE ADVISORY BOARD FOR THE PURPOSES OF THIS SECTION.

(7) THE ADVISORY BOARD SHALL MAKE AN ANNUAL REPORT TO THE COMMISSIONER BY SEPTEMBER 30, 1993, AND EACH SEPTEMBER 30 THEREAFTER, DETAILING IMPLEMENTATION PROGRESS OF UNIFORM CLAIM PROCESSING AND ELECTRONIC DATA INTERCHANGE WITHIN THE HEALTH CARE AND INSURANCE INDUSTRIES IN COLORADO. THE REPORT MAY RECOMMEND LEGISLATION WHICH THE ADVISORY BOARD DETERMINES IS NECESSARY AND ADVANTAGEOUS TO ENHANCE IMPLEMENTATION. THE COMMISSIONER SHALL REVIEW, COMMENT, AND FORWARD THE REPORT TO THE GENERAL ASSEMBLY AND THE COLORADO COST CONTAINMENT AND GUARANTEED ACCESS COMMISSION, CREATED IN SECTION 24-40.5-103, C.R.S., BY JANUARY 1, 1994, AND EACH JANUARY 1 THEREAFTER.

(8) (a) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 1998.

(b) PRIOR TO SUCH REPEAL, THE ADVISORY COMMITTEE SHALL NOT BE REVIEWED AS PROVIDED IN SECTION 2-3-1203, C.R.S., NOTWITHSTANDING THE PROVISIONS OF SAID SECTION.

SECTION 2. 10-1-108, Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

10-1-108. Duties of commissioner - reports - publications - disposition of funds. (15) IT IS THE DUTY OF THE COMMISSIONER TO OVERSEE THE OPERATION OF

ELECTRONIC DATA INTERCHANGE PROJECTS FOR PURPOSES OF UNIFORM BILLING AND ELECTRONIC DATA EXCHANGE FOR HEALTH BENEFIT COVERAGES IN COLORADO. IN CARRYING OUT SUCH DUTIES, THE COMMISSIONER SHALL COORDINATE WITH THE DEPARTMENTS OF LABOR AND EMPLOYMENT, HEALTH, AND SOCIAL SERVICES AND THE COLORADO HEALTH DATA COMMISSION, AS APPROPRIATE.

SECTION 3. 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.

Approved: March 22, 1993