

CHAPTER 3

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**GOVERNMENT - STATE**

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**HOUSE BILL 01S2-1034**

BY REPRESENTATIVE(S) Tapia, Spradley, Lawrence, Borodkin, Boyd, Chavez, Cloer, Garcia, Groff, Hoppe, Kester, Madden, Marshall, Plant, Ragsdale, Romanoff, Sanchez, Stafford, Tochtrop, Veiga, Vigil, Williams S., and Young;  
also SENATOR(S) Hernandez, Anderson, Arnold, Chlouber, Dyer, Entz, Evans, Fitz-Gerald, Gordon, Hagedorn, Hanna, Matsunaka, McElhany, Nichol, Phillips, Reeves, Tate, Taylor, Teck, and Windels.

**AN ACT**

**CONCERNING A PILOT PROGRAM FOR A GROUP BENEFIT INSURANCE PLAN FOR STATE EMPLOYEES EXPERIENCING INCREASES IN HMO HEALTH INSURANCE COSTS EXCEEDING A SPECIFIED AMOUNT.**

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

**SECTION 1.** Part 6 of article 50 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**24-50-616. Group benefit plans pilot program - designated area - report - repeal.** (1) (a) FOR PURPOSES OF ACCELERATING THE STATEWIDE HEALTH CARE STUDY FOR STATE EMPLOYEES, THE DIRECTOR MAY CONDUCT A GROUP BENEFIT PLAN PILOT PROGRAM FOR EMPLOYEES RESIDING IN AN AREA OF THE STATE SELECTED BY THE DIRECTOR IN WHICH THE STATE HMO HEALTH CARE INSURANCE PREMIUMS HAVE INCREASED FORTY PERCENT OR GREATER UNDER A 2002 GROUP BENEFIT PLAN IF THE DIRECTOR DETERMINES THAT:

(I) THE PILOT PROGRAM CAN BE IMPLEMENTED BY MARCH 1, 2002; AND

(II) A GROUP BENEFIT PLAN CAN BE CONTRACTED FOR WITH A CARRIER, INCLUDING A PREFERRED PROVIDER ORGANIZATION, BY SUCH DATE THAT WILL PROVIDE HEALTH INSURANCE TO THE EMPLOYEES PARTICIPATING IN THE PILOT PROGRAM AT A LOWER COST THAN THE EXISTING HMO GROUP BENEFIT PLANS OFFERED IN SUCH AREA.

(b) IN THE EVENT ANY OF THE CONDITIONS SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (1) CANNOT BE MET, THE DIRECTOR SHALL NOT IMPLEMENT A PILOT PROGRAM AND ANY REQUIREMENT SPECIFIED IN SUBSECTIONS (3) AND (4) OF THIS

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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.*

SECTION SHALL NOT APPLY.

(2) THE DIRECTOR SHALL HAVE ALL OF THE POWERS AND DUTIES SPECIFIED UNDER SECTION 24-50-604 FOR PURPOSES OF IMPLEMENTING THE PILOT PROGRAM AND IS AUTHORIZED TO DEVELOP A REQUEST FOR PROPOSALS AND PREPARE CONTRACT SPECIFICATIONS IN ORDER TO CONTRACT WITH A CARRIER, INCLUDING A PREFERRED PROVIDER ORGANIZATION, FOR A GROUP BENEFIT PLAN IN THE DESIGNATED AREA. THE PROVISIONS OF THE "PROCUREMENT CODE" CONTAINED IN ARTICLES 101 TO 112 OF THIS TITLE SHALL NOT APPLY TO A CONTRACT AWARDED PURSUANT TO THE PILOT PROGRAM; EXCEPT THAT THE STATE CONTROLLER SHALL HAVE THE AUTHORITY TO PERFORM AN EXPEDITED REVIEW OF ANY SUCH CONTRACT FOR FAIR AND REASONABLE PRICING.

(3) PARTICIPATION IN THE PILOT PROGRAM SHALL BE LIMITED TO EMPLOYEES THAT RESIDE IN AN AREA SELECTED BY THE DIRECTOR FOR THE PILOT PROGRAM IN WHICH THE STATE HMO HEALTH CARE INSURANCE PREMIUMS HAVE INCREASED FORTY PERCENT OR GREATER UNDER A 2002 GROUP BENEFIT PLAN. AN EMPLOYEE OTHERWISE ELIGIBLE TO ENROLL IN A GROUP BENEFIT PLAN IN THE AREA SELECTED BY THE DIRECTOR MAY PARTICIPATE IN THE PILOT PROGRAM BY ENROLLING IN THE GROUP BENEFIT PLAN DURING A SPECIAL OPEN ENROLLMENT PERIOD DESIGNATED BY THE DIRECTOR.

(4) ON OR BEFORE DECEMBER 31, 2002, THE DIRECTOR SHALL PROVIDE A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE CONTAINING AN EVALUATION OF THE PILOT PROGRAM, INCLUDING, BUT NOT LIMITED TO, THE NUMBER OF EMPLOYEES PARTICIPATING IN THE PILOT PROGRAM, THE HEALTH INSURANCE COST SAVINGS TO SUCH EMPLOYEES, AND THE AMOUNT OF MONEYS SPENT BY THE DEPARTMENT OF PERSONNEL ON THE PILOT PROGRAM.

(5) THE PILOT PROGRAM SHALL TERMINATE ON DECEMBER 31, 2002.

(6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2002.

**SECTION 2. No appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

**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: November 6, 2001