

CHAPTER 272

**INSURANCE**

**SENATE BILL 03-068**

BY SENATOR(S) Hagedorn, Evans, and Hillman;  
also REPRESENTATIVE(S) Brophy, Fairbank, Hall, Lee, and Spence.

**AN ACT**

**CONCERNING THE CREATION OF THE COMMISSION ON MANDATED HEALTH INSURANCE BENEFITS TO ASSESS THE IMPACT OF MANDATED HEALTH INSURANCE BENEFITS IN COLORADO, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** Part 1 of article 16 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**10-16-103.3. Commission on mandated health insurance benefits - cash fund - purpose - creation - duties - repeal.** (1) (a) IN ORDER TO DEVELOP AND MAINTAIN A SYSTEM AND PROGRAM OF DATA COLLECTION TO ASSESS THE IMPACT OF MANDATED HEALTH CARE BENEFITS, INCLUDING COSTS TO EMPLOYERS, EMPLOYEES, INDIVIDUAL PURCHASERS, AND INSURERS, THE IMPACT OF TREATMENT, THE COST SAVINGS IN THE HEALTH CARE SYSTEM, THE NUMBER OF PROVIDERS, AND OTHER DATA AS MAY BE APPROPRIATE, THERE IS HEREBY CREATED THE COMMISSION ON MANDATED HEALTH INSURANCE BENEFITS. THE COMMISSION SHALL CONSIST OF ELEVEN MEMBERS TO BE APPOINTED ON OR BEFORE AUGUST 1, 2003, AS FOLLOWS:

(I) THE PRESIDENT OF THE SENATE, IN CONSULTATION WITH THE MINORITY LEADER, SHALL APPOINT ONE MEMBER WHO IS A MEMBER OF THE SENATE BUSINESS AFFAIRS AND LABOR COMMITTEE.

(II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, IN CONSULTATION WITH THE MINORITY LEADER, SHALL APPOINT ONE MEMBER WHO IS A MEMBER OF THE HOUSE OF REPRESENTATIVES BUSINESS AFFAIRS AND LABOR COMMITTEE.

(III) THE GOVERNOR SHALL APPOINT THE FOLLOWING MEMBERS:

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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.*

(A) ONE MEMBER WHO IS AN EMPLOYEE OF THE DIVISION OF INSURANCE;

(B) ONE MEMBER WHO IS A REPRESENTATIVE OF THE HEALTH INSURANCE INDUSTRY;

(C) ONE MEMBER WHO REPRESENTS A HEALTH MAINTENANCE ORGANIZATION;

(D) TWO MEMBERS WHO REPRESENT HEALTH CARE PROVIDERS;

(E) TWO MEMBERS WHO ARE PRIVATE CITIZENS, ONE WITH AN INTEREST IN MANDATED HEALTH INSURANCE BENEFITS, AND ONE WHO IS A REPRESENTATIVE OF A CONSUMER HEALTH ADVOCACY GROUP; AND

(F) TWO MEMBERS WHO ARE BUSINESS OWNERS WITH LESS THAN FIFTY EMPLOYEES EACH, ONE WHOSE BUSINESS IS LOCATED IN THE DENVER METROPOLITAN AREA AND ONE WHOSE BUSINESS IS LOCATED IN A RURAL AREA.

(b) ALL MEMBERS SHALL BE APPOINTED FOR A TERM OF FIVE YEARS; EXCEPT THAT APPOINTMENTS MAY BE MADE BY THE GOVERNOR TO FILL VACANCIES FOR UNEXPIRED TERMS.

(c) THE COMMISSION SHALL APPOINT A CHAIR, AS DETERMINED BY THE APPOINTED MEMBERS.

(2) THE COMMISSION SHALL MEET REGULARLY AND AT THE REQUEST OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE PRESIDENT OF THE SENATE. A MAJORITY OF THE MEMBERS OF THE COMMISSION SHALL CONSTITUTE A QUORUM.

(3) THE MEMBERS OF THE COMMISSION SHALL SERVE WITHOUT COMPENSATION, BUT SHALL BE REIMBURSED FOR ALL REASONABLE AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES. SUCH MEMBERS SHALL RECEIVE REIMBURSEMENTS FOR NO MORE THAN EIGHT MEETINGS IN ANY CALENDAR YEAR.

(4) (a) THE STAFF OF THE DIVISION OF INSURANCE SHALL ASSIST THE COMMISSION IN CARRYING OUT ITS DUTIES UNDER THIS SECTION.

(b) THE DIVISION OF INSURANCE STAFF SHALL SEEK INPUT FROM THE COMMISSION REGARDING THE FISCAL ANALYSIS OF ANY PROPOSED LEGISLATIVE MEASURE CONTAINING A MANDATED HEALTH INSURANCE BENEFIT.

(c) IN CONDUCTING THE ACTIVITIES OF THE COMMISSION UNDER THIS SECTION, THE DIVISION OF INSURANCE MAY ACCEPT AND EXPEND FEDERAL FUNDS, GRANTS, GIFTS, AND DONATIONS.

(5) IN CARRYING OUT ITS DUTIES AND FUNCTIONS UNDER THIS SECTION, THE COMMISSION SHALL:

(a) REVIEW AND EVALUATE THE MANDATORY HEALTH CARE COVERAGE PROVISIONS IN SECTION 10-16-104, AND AS NECESSARY, ANY OTHER STATUTORY PROVISIONS RELATING TO MANDATORY HEALTH CARE COVERAGE;

(b) ADVISE AND ASSIST THE DIVISION OF INSURANCE ON MATTERS RELATING TO MANDATED INSURANCE BENEFITS RULES;

(c) REQUEST INFORMATION AND PRESCRIBE THE FORMAT, CONTENT, AND TIMING OF THE INFORMATION TO BE SUBMITTED TO THE COMMISSION IN ITS ASSESSMENT OF PROPOSED AND EXISTING MANDATED BENEFITS;

(d) ASSESS PROPOSED MANDATED BENEFITS AND OTHER STUDIES OF MANDATED BENEFITS ISSUES AS REQUESTED BY THE GENERAL ASSEMBLY;

(e) PROVIDE INFORMATION AND RECOMMENDATIONS RELATING TO ANY SYSTEM OF MANDATED HEALTH INSURANCE BENEFITS TO THE GOVERNOR AND ANY STANDING COMMITTEE OF THE GENERAL ASSEMBLY UPON REQUEST;

(f) MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY REGARDING A STANDARD HEALTH BENEFITS PLAN FOR COLORADANS THAT INCLUDES THE NECESSARY BENEFIT PROVISIONS TO BE INCLUDED PURSUANT TO A STUDY AND FINDINGS OF THE COMMISSION;

(g) REPORT ANNUALLY ON THE ACTIVITIES OF THE COMMISSION TO THE GENERAL ASSEMBLY BY DECEMBER 1 OF EACH YEAR; AND

(h) MAKE RECOMMENDATIONS TO THE APPLICABLE STANDING COMMITTEE, TASK FORCE, OR INTERIM COMMITTEE OF THE GENERAL ASSEMBLY BASED ON THE FINDINGS OF THE COMMISSION TO ENABLE THE FORMULATION OF LEGISLATION TO IMPLEMENT SUCH FINDINGS. WHENEVER APPLICABLE, SUCH RECOMMENDATIONS SHALL CONSIDER THE REPORT SUBMITTED BY THE ENTITY THAT SEEKS LEGISLATIVE ACTION MANDATING A HEALTH COVERAGE OR OFFERING A HEALTH COVERAGE PURSUANT TO SECTION 10-16-103.

(6) WHEN A LEGISLATIVE MEASURE CONTAINING A MANDATED HEALTH INSURANCE BENEFIT IS PROPOSED ON AND AFTER THE EFFECTIVE DATE OF THIS ACT, THE STANDING COMMITTEE OF THE GENERAL ASSEMBLY HAVING JURISDICTION OVER THE PROPOSED LEGISLATION, AS DETERMINED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE PRESIDENT OF THE SENATE DEPENDING ON THE HOUSE OF ORIGIN, SHALL REQUEST THAT THE COMMISSION PREPARE AND FORWARD TO SUCH COMMITTEE A STUDY THAT ASSESSES THE SOCIAL AND FINANCIAL IMPACT OF THE PROPOSED MANDATE WITHIN A TIME PERIOD DEEMED APPROPRIATE BY THE CHAIR OF SUCH COMMITTEE.

(7) (a) THE COMMISSIONER SHALL ASSESS AGAINST INSURERS ANY FEES AS MAY BE REASONABLE AND NECESSARY FOR THE OPERATION OF THE COMMISSION. THE AMOUNT OF THE FEES SHALL BE DETERMINED BY RULE OF THE COMMISSIONER; EXCEPT THAT THE TOTAL AMOUNT OF FEES ASSESSED IN ANY TWELVE-MONTH PERIOD SHALL NOT EXCEED TWENTY THOUSAND DOLLARS. SUCH FEES SHALL BE ASSESSED ONLY WHEN IT IS DETERMINED BY THE COMMISSIONER THAT THE PROJECTED OPERATING REVENUES OF THE COMMISSION WILL NOT BE ADEQUATE OVER THE NEXT TWELVE-MONTH PERIOD TO PROVIDE FOR THE NECESSARY EXPENSES PURSUANT TO SUBSECTIONS (3) AND (4) OF THIS SECTION. IN THE EVENT THAT ANY INSURER FAILS TO PAY ITS FEE TO THE COMMISSION IN ACCORDANCE WITH THE TIME FRAMES SET FORTH BY RULE, THE COMMISSIONER IS AUTHORIZED TO UTILIZE ALL POWERS

CONFERRED ON THE COMMISSIONER BY THE INSURANCE LAWS OF THIS STATE TO ENFORCE PAYMENT OF SUCH FEES.

(b) THE COMMISSIONER SHALL PROMULGATE RULES TO IMPLEMENT THIS SUBSECTION (7) THAT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE REASONABLE TIME FRAMES FOR THE DETERMINATION OF THE NEED FOR AN EQUITABLE ASSESSMENT AND FOR THE BILLING AND COLLECTION OF SUCH FEES AND THE EQUITY OF THE ASSESSMENT.

(c) IN PROMULGATING SUCH RULES, THE COMMISSIONER SHALL INCLUDE PROVISIONS THAT NOTICE OF THE FIRST ASSESSMENT SHALL BE PROVIDED TO THE INSURERS NO LATER THAN OCTOBER 1, 2003, AND THAT PAYMENT FOR SUCH ASSESSMENT SHALL BE MADE NO EARLIER THAN JANUARY 1, 2004.

(8) FEES COLLECTED PURSUANT TO SUBSECTION (7) OF THIS SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE COMMISSION ON MANDATED HEALTH INSURANCE BENEFITS CASH FUND, WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE PURPOSES OF THIS SECTION. ALL MONEYS, INCLUDING INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEYS IN THE CASH FUND, SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OF THE STATE AT THE END OF ANY FISCAL YEAR.

(9) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2005.

**SECTION 2. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the commission on mandated health insurance benefits cash fund created in section 10-16-103.3, Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, for allocation to the division of insurance, for the fiscal year beginning July 1, 2003, the sum of eighteen thousand one hundred forty-four dollars (\$18,144) and 0.2 FTE, or so much thereof as may be necessary, for the implementation 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: May 20, 2003