

CHAPTER 328

HEALTH AND ENVIRONMENT

SENATE BILL 06-208

BY SENATOR(S) Hanna, Shaffer, Groff, and Boyd;
also REPRESENTATIVE(S) McGihon, Benefield, Berens, Borodkin, Buescher, Carroll M., Coleman, Gallegos, Green, Jahn, Kerr
A., Larson, Massey, McFadyen, Penry, Solano, and Todd.

AN ACT

**CONCERNING THE CREATION OF THE HEALTH CARE REFORM COMMITTEE FOR THE PURPOSE OF
STUDYING HEALTH CARE REFORM ISSUES, AND MAKING TRANSFERS OF FUNDS THEREFOR.**

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Health care is the largest single industry in the United States, comprising multiple public and private interests, and these interests often have competing goals and values;

(b) Americans currently spend exorbitant amounts on health care, and our complex health care system diverts too many dollars away from cost-effective, evidence-based health care costs;

(c) Solutions to problems with the health care system will require a balancing of many private and public interests;

(d) The existing models for comprehensive health care reform tend to be polarized between the ideological extremes of wholly unregulated markets, on the one hand, and intrusive government control, on the other;

(e) Previous discussions of health care reform have not sufficiently involved the citizens who pay for and are dependent on the health care system itself; and

(f) Health care policy dialogues too often do not include enough community and business leaders and do not adequately consider the political process essential to

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

bringing about the systemic reforms needed to lower and contain costs.

(2) It is therefore the intent of the general assembly to establish a blue ribbon commission for comprehensive state health care reform, which shall provide to the general assembly specific recommendations regarding improving the health care system that shall be considered by the general assembly.

SECTION 2. Part 1 of article 16 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-131. Health care reform project - blue ribbon commission for health care reform - repeal. (1) THIS SECTION SHALL BE KNOWN AND SHALL BE CITED AS "THE ACCESS TO AFFORDABLE HEALTH CARE ACT".

(2) THERE IS HEREBY ESTABLISHED THE BLUE RIBBON COMMISSION FOR HEALTH CARE REFORM, HEREINAFTER REFERRED TO AS THE COMMISSION, FOR THE PURPOSE OF STUDYING AND ESTABLISHING HEALTH CARE REFORM MODELS TO EXPAND HEALTH CARE COVERAGE AND TO DECREASE HEALTH CARE COSTS FOR COLORADO RESIDENTS. THE COMMISSION SHALL BE AUTHORIZED TO EXAMINE OPTIONS FOR EXPANDING AFFORDABLE HEALTH COVERAGE FOR ALL COLORADO RESIDENTS IN BOTH THE PUBLIC AND PRIVATE SECTOR MARKETS, WITH SPECIAL ATTENTION GIVEN TO THE UNINSURED, UNDERINSURED, AND THOSE AT RISK OF FINANCIAL HARDSHIP DUE TO MEDICAL EXPENSES. THE COMMISSION SHALL HAVE THE AUTHORITY TO ESTABLISH SPECIAL PURPOSE SUBCOMMITTEES WITH NONVOTING MEMBERS TO EVALUATE AND CONSIDER HEALTH CARE ISSUES AS IT DEEMS NECESSARY TO FULFILL ITS GOALS AND OBJECTIVES, INCLUDING ISSUES OF ACCESS, COST, VALUE, AND PERSONAL HEALTH RESPONSIBILITY, AND MAY ESTABLISH BYLAWS, POLICIES, AND PROCEDURES NECESSARY TO MEET ITS OBJECTIVES.

(3) (a) THE COMMISSION SHALL CONSIST OF TWENTY-FOUR MEMBERS AS FOLLOWS:

(I) EIGHT MEMBERS WHO REPRESENT CONSUMERS. CONSUMER REPRESENTATIVES SHALL INCLUDE PERSONS WITH SIGNIFICANT HEALTH CARE RISKS, PERSONS WITH HIGH INSURANCE PREMIUMS, PERSONS WHO ARE UNINSURED AND UNDERINSURED, RESIDENTS OF RURAL AREAS, MEMBERS OF RACIAL AND ETHNIC MINORITY GROUPS, SENIOR CITIZENS, PERSONS FROM FAITH COMMUNITIES, DISABLED PERSONS INVOLVED IN HEALTH CARE ISSUES, REPRESENTATIVES OF THE MENTAL HEALTH COMMUNITY, AND PERSONS WHO USE OR MAY USE TELEHEALTH OR REMOTE HOME MONITORING SYSTEMS.

(II) EIGHT MEMBERS WHO REPRESENT HEALTH INSURANCE PURCHASERS. HEALTH INSURANCE PURCHASERS SHALL INCLUDE PURCHASERS OF INDIVIDUAL AND GROUP HEALTH INSURANCE, MEMBERS OF LARGE AND SMALL EMPLOYER HEALTH COALITIONS, AND RURAL AND URBAN CHAMBERS OF COMMERCE. A REPRESENTATIVE OF PURCHASERS SHALL NOT BE A HEALTH CARE PROVIDER.

(III) EIGHT MEMBERS WHO REPRESENT EXPERTS AND BUSINESS LEADERS. EXPERTS AND BUSINESS LEADERS SHALL INCLUDE EXPERTS IN THE FIELD OF HEALTH CARE AND HEALTH INSURANCE, INCLUDING LOCAL GOVERNMENT AND STATE GOVERNMENT OFFICIALS AND NONPROFIT ORGANIZATIONS; EXPERTS IN THE FIELD OF

DEVELOPMENTAL DISABILITIES; HEALTH CARE PROVIDERS, INCLUDING PHYSICIANS, NURSES, MENTAL HEALTH PROFESSIONALS, DRUG AND ALCOHOL ABUSE COUNSELORS, AND HOSPITALS; AND MEMBERS OF THE INSURANCE INDUSTRY.

(b) THE COMMISSION SHALL BE APPOINTED AS FOLLOWS:

(I) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE, AND THE GOVERNOR SHALL EACH APPOINT TWO MEMBERS WHO REPRESENT CONSUMERS, TWO MEMBERS WHO REPRESENT HEALTH INSURANCE PURCHASERS, AND TWO MEMBERS WHO REPRESENT EXPERTS AND BUSINESS LEADERS.

(II) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE SENATE SHALL EACH APPOINT ONE MEMBER WHO REPRESENTS CONSUMERS, ONE MEMBER WHO REPRESENTS HEALTH INSURANCE PURCHASERS, AND ONE MEMBER WHO REPRESENTS EXPERTS AND BUSINESS LEADERS.

(c) IF THERE IS A VACANCY ON THE COMMISSION FOR ANY REASON, A NEW MEMBER SHALL BE APPOINTED BY THE ORIGINAL APPOINTING AUTHORITY FROM THE APPROPRIATE REPRESENTATIVE GROUP. IF THE APPOINTING AUTHORITY FAILS TO MAKE ANY REQUIRED APPOINTMENTS WITHIN THIRTY DAYS AFTER THE VACANCY, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT THE NEW MEMBER OR MEMBERS.

(d) THE COMMISSION SHALL:

(I) WITH TECHNICAL ASSISTANCE AND GUIDANCE FROM THE PROJECT ADMINISTRATOR, WORK IN A NONPARTISAN MANNER TO EXAMINE HEALTH CARE COVERAGE AND REFORM MODELS DESIGNED TO ENSURE ACCESS TO AFFORDABLE COVERAGE FOR ALL COLORADO RESIDENTS, AND SELECT FROM THREE TO FIVE SPECIFIC HEALTH CARE COVERAGE REFORM PROPOSALS TO MEET THE NEEDS OF THE RESIDENTS OF COLORADO;

(II) MEET AS NECESSARY TO OVERSEE THE PROCESS OF SOLICITING REFORM CONCEPT PAPERS AND DETAILED PROPOSALS FROM INTERESTED PARTIES;

(III) SELECT THE TOP PROPOSALS FOR DETAILED TECHNICAL ANALYSIS BY AN INDEPENDENT CONSULTANT;

(IV) HOLD STATEWIDE INFORMATIONAL MEETINGS AT LEAST ONCE IN EACH CONGRESSIONAL DISTRICT FOR THE PURPOSE OF RECEIVING PUBLIC COMMENTS; AND

(V) PRESENT A FINAL REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE NOVEMBER 30, 2007, INCLUDING AN UNBIASED ECONOMIC ANALYSIS, FEASIBILITY, AND TECHNICAL ASSESSMENT OF THE FAVORABLE AND UNFAVORABLE CONSIDERATIONS AND OF THE VARIOUS REFORM OPTIONS, AND SPECIFIC RECOMMENDATIONS, THAT SHALL BE CONSIDERED BY THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES.

(4) (a) THE COMMISSION SHALL BE ADMINISTERED BY A NONPARTISAN PROJECT ADMINISTRATOR. THE PROJECT ADMINISTRATOR SHALL BE APPOINTED JOINTLY BY

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE FOR THE PURPOSE OF MANAGING THE WORK OF THE COMMISSION. THE PROJECT ADMINISTRATOR SHALL BE A COLORADO-BASED, NONPARTISAN INDIVIDUAL OR ORGANIZATION WITH EXPERTISE IN HEALTH CARE POLICY, DATA COLLECTION AND ANALYSIS, REPORT GENERATION, ORGANIZING PUBLIC MEETINGS, AND MANAGING PROJECT BUDGETS AND PROCESSES. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE SHALL APPOINT A PROJECT COORDINATOR WHO SHALL BE RESPONSIBLE FOR THE COORDINATION AND DELIVERY OF THE FINAL REPORT PRESENTED TO THE GENERAL ASSEMBLY PURSUANT TO SUBPARAGRAPH (V) OF PARAGRAPH (d) OF SUBSECTION (3) OF THIS SECTION; COORDINATION OF PROJECT OBJECTIVES, TIMELINES, AND REGULAR LIAISON ACTIVITIES BETWEEN THE PROJECT ADMINISTRATOR, THE GENERAL ASSEMBLY, AND INTERESTED PERSONS; AND FOR PROVIDING INFORMATION TO THE GENERAL PUBLIC REGARDING THE HEALTH CARE REFORM EFFORTS OUTLINED IN THIS SECTION.

(b) THE PROJECT ADMINISTRATOR SHALL ORGANIZE A PROCESS TO IDENTIFY INSURANCE REFORM PROPOSALS GENERATED APPLICABLE TO COLORADO FROM INTERESTED PARTIES. THE PROCESS SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:

(I) THE PROJECT ADMINISTRATOR SHALL INVITE INTERESTED INDIVIDUALS OR ORGANIZATIONS TO SUBMIT PROPOSALS ACCORDING TO CONTENT CRITERIA DEVELOPED BY THE PROJECT ADMINISTRATOR THAT DESCRIBE METHODS FOR EXPANDING HEALTH CARE COVERAGE AND RELATED REFORM CONCEPTS.

(II) THE PROJECT ADMINISTRATOR SHALL SUBMIT ACCEPTABLE PROPOSALS AS DETERMINED BY THE ADMINISTRATOR TO THE COMMISSION FOR DISCUSSION AND THE ULTIMATE SELECTION OF THREE TO FIVE FAVORABLE PROPOSALS.

(III) THE COMMISSION SHALL SUBMIT FROM THREE TO FIVE OF THE PROPOSALS DEEMED MOST FAVORED BY THE COMMISSION TO AN INDEPENDENT CONSULTING FIRM SELECTED BY THE COMMISSION FOR TECHNICAL COMPARATIVE ANALYSIS OF COST IMPACTS, UTILIZATION, DESIGN, AND OTHER AREAS.

(IV) ON OR BEFORE NOVEMBER 30, 2007, THE COMMISSION SHALL PRESENT THE FINAL REPORT REQUIRED PURSUANT TO SUBPARAGRAPH (V) OF PARAGRAPH (d) OF SUBSECTION (3) OF THIS SECTION TO THE GENERAL ASSEMBLY, WHICH SHALL INCLUDE SUMMARIES OF THE PROPOSALS AND THE RESULTS OF THE TECHNICAL ANALYSIS.

(5) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE HEALTH CARE REFORM CASH FUND. THE FUND SHALL CONSIST OF MONEYS APPROPRIATED OR APPROPRIATED BY THE GENERAL ASSEMBLY TO THE FUND AND GIFTS, GRANTS, AND DONATIONS FROM DONORS WHO SHALL REMAIN ANONYMOUS TO THE PROJECT ADMINISTRATOR AND THE MEMBERS OF THE COMMISSION. THE MONEYS IN THE HEALTH CARE REFORM CASH FUND AND ALL INTEREST EARNED ON MONEYS IN THE FUND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND AT THE END OF ANY FISCAL YEAR.

(b) ON JUNE 30, 2006, ONE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND SHALL BE APPROPRIATED TO AND BECOME PART OF THE HEALTH CARE REFORM

CASH FUND. SUCH GENERAL FUND APPROPRIATION SHALL BE FROM MONEYS MADE AVAILABLE BY REDUCING THE FISCAL YEAR 2005-06 GENERAL FUND APPROPRIATION TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, INDIGENT CARE PROGRAM IN THE CHILDREN'S HOSPITAL, CLINIC BASED INDIGENT CARE. ON JULY 1, 2006, THE GENERAL ASSEMBLY SHALL APPROPRIATE FIFTY THOUSAND DOLLARS FROM THE CASH FUND TO THE COMMISSION. AFTER THE COMMISSION HAS CERTIFIED TO THE STATE CONTROLLER THAT THE COMMISSION HAS RECEIVED AT LEAST FIFTY THOUSAND DOLLARS FROM GIFTS, GRANTS, AND DONATIONS FOR THE PURPOSES OF CARRYING OUT THE PROVISIONS OF THIS SECTION, AN ADDITIONAL FIFTY THOUSAND DOLLARS SHALL BE APPROPRIATED TO THE COMMISSION.

(c) THE MONEY IN THE HEALTH CARE REFORM CASH FUND SHALL BE USED FOR THE DEVELOPMENT OF THE THREE TO FIVE PROPOSALS; FOR TECHNICAL COSTS AND A FEASIBILITY STUDY; TO FUND THE PROJECT ADMINISTRATOR AND PROJECT COORDINATOR POSITIONS; TO COVER COSTS OF STATEWIDE HEARINGS; TO PAY THE MEMBERS OF THE COMMISSION REASONABLE AND NECESSARY EXPENSES, INCLUDING A PER DIEM AMOUNT SET BY THE COMMISSION NOT TO EXCEED ONE HUNDRED DOLLARS PER MEETING, TRAVEL EXPENSES, AND OUT-OF-POCKET EXPENSES RELATED TO THE DUTIES OF THE MEMBER; AND FOR ANY OTHER EXPENSES NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

(6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2010.

SECTION 3. Part V (4) and the affected totals of section 2 of chapter 354, Session Laws of Colorado 2005, as amended by section 1 of House Bill 06-1217 and section 6 of House Bill 06-1385, enacted at the Second Regular Session of the Sixty-fifth General Assembly, are amended to read:

Section 2. **Appropriation.**

 APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

PART V

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

(4) INDIGENT CARE PROGRAM

Safety Net Provider Payments ⁴³	281,007,750	9,432,484(M)			131,071,391 ^a	140,503,875
The Children's Hospital, Clinic Based Indigent Care	36,244,576 36,044,576	18,122,288(M) 18,022,288(M)				18,122,288 18,022,288
Pediatric Speciality Hospital	5,452,134	2,726,067(M)				2,726,067
H.B. 97-1304 Children's Basic Health Plan Trust	23,342,785	2,255,000		160,256 ^b	20,927,529 ^c	
Children's Basic Health Plan Administration	4,181,207				1,947,089 ^d	2,234,118
Children's Basic Health Plan Premium Costs ⁴⁴	77,006,123				27,056,309 ^d	49,949,814
Children's Basic Health Plan Dental Benefit Costs	6,218,783				2,176,574 ^d	4,042,209

Comprehensive Primary and Preventive Care Fund	2,615,941		2,615,941 ^e
Comprehensive Primary and Preventive Care Grants Program	<u>2,615,941</u>	438,685,240	2,615,941 ^f
		438,485,240	

^a This amount represents public funds certified as representing expenditures incurred by hospitals that are eligible for federal financial participation under the Medicaid Major Teaching Hospital Program, Medicaid, and the Medicaid Disproportionate Share Payments to Hospitals Program.

^b This amount shall be from annual premiums paid by participating families.

^c This amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104.5 (1) (c), C.R.S.

^d These amounts shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

^e This amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104.5 (1) (b), C.R.S.

^f This amount shall be from the Comprehensive Primary and Preventive Care Fund created in Section 26-4-1007, C.R.S., pursuant to Section 24-75-1104.5 (1) (b), C.R.S.

**TOTALS PART V
(HEALTH CARE
POLICY AND
FINANCING)^{d, e}**

\$3,218,624,823	\$1,096,833,419	\$261,300,000	\$655,697	\$288,981,272 ^a	\$1,570,854,435
<u>\$3,218,424,823</u>	<u>\$1,096,733,419</u>				<u>\$1,570,754,435</u>

^a Of this amount, \$35,506,280 contains an (T) notation, and \$551,894 contains a (L) notation.

SECTION 4. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of moneys in the general fund, not otherwise appropriated, to the department of regulatory agencies, division of insurance, to the health care reform cash fund, created in section 10-16-131 (5) (a), Colorado Revised Statutes, for the fiscal year beginning July 1, 2005, the sum of one hundred thousand dollars (\$100,000).

SECTION 5. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the health care reform cash fund, created in section 10-16-131 (5) (a), Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, division of insurance, for the fiscal year beginning July 1, 2006, the sum of fifty thousand dollars (\$50,000), or so much thereof as may be necessary, for the implementation of this act. This appropriation shall be used for the expenses of blue ribbon commission for health care reform created in section 10-16-131, Colorado Revised Statutes.

SECTION 6. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the health care reform cash fund, created in section 10-16-131 (5) (a), Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, division of insurance, for the fiscal year beginning July 1, 2006, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary, for the implementation of this act. This appropriation shall be used for the expenses of blue ribbon commission for health care reform created in section 10-16-131, Colorado Revised Statutes.

SECTION 7. Effective date. This act shall take effect upon passage, except that section 6 of this act shall only take effect if the blue ribbon commission for health care reform, created in Section 10-16-131, Colorado Revised Statutes, certifies in writing to the state controller that the commission has received at least fifty thousand dollars (\$50,000) in gifts, grants, and donations for the purposes of this act. Subsequent to said receipt, the state controller shall notify the joint budget committee in writing that the state controller has received the said certification from the commission.

SECTION 8. 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: June 2, 2006