

CHAPTER 380

GOVERNMENT - STATE

HOUSE BILL 07-1335

BY REPRESENTATIVE(S) McGihon, Hodge, Kefalas, Labuda, Levy, Madden, Primavera, Rice, Riesberg, and Soper;
also SENATOR(S) Romer, Boyd, Groff, Hagedorn, Veiga, Williams, and Windels.

AN ACT

CONCERNING A REQUIREMENT THAT TOBACCO LITIGATION SETTLEMENT MONEYS BE USED TO SUPPLEMENT THE STATE CONTRIBUTION TO THE STATE GROUP HEALTH BENEFIT PLAN PREMIUMS OF LOWER-INCOME STATE EMPLOYEES WHO HAVE AT LEAST ONE DEPENDENT OTHER THAN A LEGAL SPOUSE, AND, IN CONNECTION THEREWITH, REALLOCATING ALL SETTLEMENT MONEYS CURRENTLY ALLOCATED TO SUPPLEMENT THE STATE CONTRIBUTION TO THE MEDICAL BENEFIT PLAN PREMIUMS OF ALL STATE EMPLOYEES TO THE NEW SUPPLEMENTS AND FOR RELATED ADMINISTRATIVE COSTS AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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:

24-50-609.5. Supplemental state contribution for eligible state employees - legislative declaration. (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(I) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT ALL CHILDREN IN THE STATE, INCLUDING LOWER-INCOME CHILDREN, HAVE ACCESS TO AFFORDABLE AND ADEQUATE HEALTH INSURANCE.

(II) THE CHILDREN OF STATE EMPLOYEES ARE INELIGIBLE FOR EXISTING FEDERAL AND STATE PROGRAMS, INCLUDING MEDICAID AND THE CHILDREN'S BASIC HEALTH PLAN, THAT PROVIDE HEALTH INSURANCE TO LOWER-INCOME CHILDREN WHOSE FAMILIES ARE NOT OTHERWISE ABLE TO AFFORD HEALTH INSURANCE.

(III) ALTHOUGH THE STATE PAYS A PORTION OF THE HEALTH INSURANCE PREMIUMS FOR THOSE STATE EMPLOYEES WHO ENROLL IN A HEALTH INSURANCE PLAN OFFERED BY THE STATE, MANY LOWER-INCOME STATE EMPLOYEES

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

NONETHELESS CANNOT AFFORD TO PAY THE REQUIRED EMPLOYEE CONTRIBUTION TO THE PLAN PREMIUMS FOR ANY PLAN OR THE HIGHER EMPLOYEE CONTRIBUTION TO A PLAN WITH A LOW DEDUCTIBLE AND THEREFORE DECLINE TO ENROLL IN A HEALTH INSURANCE PLAN OR ENROLL IN A HIGH DEDUCTIBLE PLAN, LEAVING THEIR CHILDREN WITHOUT ADEQUATE HEALTH INSURANCE COVERAGE.

(IV) IN ORDER TO ENSURE THAT CHILDREN OF LOWER-INCOME STATE EMPLOYEES HAVE ACCESS TO AFFORDABLE AND ADEQUATE HEALTH INSURANCE, IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTERESTS OF THE STATE TO ENCOURAGE LOWER-INCOME STATE EMPLOYEES WHO HAVE DEPENDENTS OTHER THAN THEIR SPOUSES TO ENROLL IN HEALTH INSURANCE PLANS OFFERED BY THE STATE BY SUPPLEMENTING THE STATE CONTRIBUTION TO THEIR PLAN PREMIUMS IN ORDER TO REDUCE THE AMOUNT OF THEIR REQUIRED EMPLOYEE CONTRIBUTIONS TO PLAN PREMIUMS OR TO ENCOURAGE THEM TO ENROLL IN LOW DEDUCTIBLE PLANS.

(V) (A) BY USING DISEASE MANAGEMENT PROGRAMS TO REDUCE THE COSTS OF HEALTH CARE FOR STATE EMPLOYEES WHO ARE ENROLLED IN STATE GROUP BENEFIT PLANS THAT PROVIDE MEDICAL BENEFITS, THE STATE CAN PROVIDE THE GROUP BENEFIT PLANS TO MORE STATE EMPLOYEES FOR LESS MONEY AND ACHIEVE BETTER OUTCOMES.

(B) NATIONAL DATA INDICATES THAT THE ESTABLISHMENT OF DISEASE MANAGEMENT PROGRAMS CAN REDUCE BY FIFTY PERCENT ASTHMA-RELATED HOSPITAL ADMISSIONS AND THEREBY HELP THE STATE PROVIDE LOWER COST GROUP BENEFIT PLANS FOR ALL STATE EMPLOYEES.

(C) THE ESTABLISHMENT OF A PILOT DISEASE MANAGEMENT PROGRAM THAT INCLUDES, BUT IS NOT LIMITED TO, A PILOT CHILDHOOD ASTHMA PROGRAM WILL MAXIMIZE THE USE OF MONEYS ALLOCATED FOR THE PURPOSE OF SUPPLEMENTING EXISTING HEALTH INSURANCE PLANS FOR LOWER-INCOME STATE EMPLOYEES.

(b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THE INTENT OF THE GENERAL ASSEMBLY IN PROVIDING SUPPLEMENTS AS SPECIFIED IN THIS SECTION, AND THE EXPECTATION OF THE GENERAL ASSEMBLY WITH RESPECT TO THE EXECUTIVE ADMINISTRATION OF THE PROVISION OF SUPPLEMENTS, IS:

(I) TO PROVIDE ACCESS TO AFFORDABLE AND ADEQUATE HEALTH INSURANCE TO AS MANY CHILDREN OF LOWER-INCOME STATE EMPLOYEES AS POSSIBLE; AND

(II) BECAUSE THE HIGH DEDUCTIBLES TYPICAL OF HEALTH INSURANCE PLANS THAT OFFER LOWER PREMIUMS CAN IMPAIR OR DESTROY THE ECONOMIC SELF-SUFFICIENCY OF LOWER-INCOME FAMILIES WHEN HEALTH PROBLEMS ARISE, TO ENCOURAGE LOWER-INCOME STATE EMPLOYEES WITH DEPENDENTS OTHER THAN THEIR SPOUSES TO ENROLL IN HIGHER PREMIUM PLANS WITH LOW DEDUCTIBLES.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ELIGIBLE STATE EMPLOYEE" MEANS AN EMPLOYEE, AS DEFINED IN SECTION 24-50-603 (7), WHO:

(I) IS ELIGIBLE, BY VIRTUE OF HIS OR HER STATE EMPLOYMENT, TO ENROLL IN A

GROUP BENEFIT PLAN THAT PROVIDES MEDICAL OR DENTAL BENEFITS;

(II) HAS AN ANNUAL HOUSEHOLD INCOME OF LESS THAN THREE HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL; AND

(III) HAS AT LEAST ONE DEPENDENT OTHER THAN THE EMPLOYEE'S LEGAL SPOUSE.

(b) "EMPLOYEE CONTRIBUTION" MEANS THE AMOUNT CONTRIBUTED BY AN ELIGIBLE STATE EMPLOYEE TO PAY PART OF THE PREMIUM FOR A QUALIFYING GROUP BENEFIT PLAN IN WHICH THE ELIGIBLE STATE EMPLOYEE IS ENROLLED.

(c) "QUALIFYING GROUP BENEFIT PLAN" MEANS A GROUP BENEFIT PLAN THAT PROVIDES MEDICAL OR DENTAL BENEFITS.

(d) "STATE CONTRIBUTION" MEANS THE AMOUNT CONTRIBUTED BY THE STATE TO PAY PART OF THE PREMIUM FOR A QUALIFYING GROUP BENEFIT PLAN IN WHICH A STATE EMPLOYEE IS ENROLLED.

(3) (a) FOR THE 2008-09 STATE FISCAL YEAR AND FOR EACH STATE FISCAL YEAR THEREAFTER, THE STATE, AFTER FIRST ALLOCATING THE INTEREST AND INCOME AND NEXT ALLOCATING THE PRINCIPAL OF THE SUPPLEMENTAL STATE CONTRIBUTION FUND CREATED IN SECTION 24-50-609 (5) TO PAY THE COSTS OF INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS, SHALL EXPEND THE AVAILABLE PRINCIPAL OF THE STATE SUPPLEMENTAL CONTRIBUTION FUND TO PAY A MONTHLY SUPPLEMENT TO THE STATE CONTRIBUTION FOR EACH ELIGIBLE STATE EMPLOYEE WHO TIMELY APPLIES FOR THE SUPPLEMENT PURSUANT TO SUBSECTION (4) OF THIS SECTION AND ENROLLS IN A QUALIFYING GROUP BENEFIT PLAN IN ORDER TO REDUCE THE ELIGIBLE STATE EMPLOYEE'S EMPLOYEE CONTRIBUTION BY THE AMOUNT OF THE SUPPLEMENT. THE AMOUNT OF THE SUPPLEMENT SHALL BE THE AMOUNT THAT REDUCES THE AGGREGATE AMOUNT OF THE ELIGIBLE STATE EMPLOYEE'S EMPLOYEE CONTRIBUTION FOR ALL QUALIFYING GROUP BENEFIT PLANS TO ZERO; EXCEPT THAT, IF THE AVAILABLE PRINCIPAL OF THE SUPPLEMENTAL STATE CONTRIBUTION FUND IS INSUFFICIENT TO PROVIDE FULL SUPPLEMENTS FOR ALL ELIGIBLE STATE EMPLOYEES AS SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (3):

(I) THE AVAILABLE PRINCIPAL SHALL FIRST BE USED TO PROVIDE EACH ELIGIBLE STATE EMPLOYEE WHO HAS AN ANNUAL HOUSEHOLD INCOME OF LESS THAN TWO HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL A SUPPLEMENT IN AN AMOUNT EQUAL TO THE LESSER OF THE EQUIVALENT PERCENTAGE OF THE APPLICABLE EMPLOYEE CONTRIBUTION FOR EACH SUCH ELIGIBLE STATE EMPLOYEE THAT USES ALL OF THE AVAILABLE PRINCIPAL OR THE AMOUNT NEEDED TO REDUCE THE EMPLOYEE CONTRIBUTION OF EACH SUCH ELIGIBLE STATE EMPLOYEE FOR ALL QUALIFYING GROUP BENEFIT PLANS TO ZERO.

(II) REMAINING AVAILABLE PRINCIPAL NEXT SHALL BE USED TO PROVIDE EACH ELIGIBLE STATE EMPLOYEE WHO HAS AN ANNUAL HOUSEHOLD INCOME OF TWO HUNDRED PERCENT OR MORE OF THE FEDERAL POVERTY LEVEL BUT LESS THAN TWO HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LEVEL A SUPPLEMENT IN AN AMOUNT EQUAL TO THE LESSER OF THE EQUIVALENT PERCENTAGE OF THE APPLICABLE EMPLOYEE CONTRIBUTION FOR EACH SUCH ELIGIBLE STATE EMPLOYEE THAT USES ALL OF THE AVAILABLE PRINCIPAL OR THE AMOUNT NEEDED TO REDUCE

THE EMPLOYEE CONTRIBUTION OF EACH SUCH ELIGIBLE STATE EMPLOYEE FOR ALL QUALIFYING GROUP BENEFIT PLANS TO ZERO.

(III) REMAINING AVAILABLE PRINCIPAL LAST SHALL BE USED TO PROVIDE EACH ELIGIBLE STATE EMPLOYEE WHO HAS AN ANNUAL HOUSEHOLD INCOME OF AT LEAST TWO HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LEVEL A SUPPLEMENT IN AN AMOUNT EQUAL TO THE LESSER OF THE EQUIVALENT PERCENTAGE OF THE APPLICABLE EMPLOYEE CONTRIBUTION FOR EACH SUCH ELIGIBLE STATE EMPLOYEE THAT USES ALL OF THE AVAILABLE PRINCIPAL OF THE FUND OR THE AMOUNT NEEDED TO REDUCE THE EMPLOYEE CONTRIBUTION OF EACH SUCH ELIGIBLE STATE EMPLOYEE FOR ALL QUALIFYING GROUP BENEFIT PLANS TO ZERO.

(b) ALL SUPPLEMENTS SHALL BE PAID FROM THE AVAILABLE PRINCIPAL OF THE SUPPLEMENTAL STATE CONTRIBUTION FUND CREATED IN SECTION 24-50-609 (5). THE TOTAL AMOUNT OF ALL SUPPLEMENTS PAID FOR ANY GIVEN FISCAL YEAR SHALL BE THE LESSER OF THE AMOUNT OF ALL AVAILABLE PRINCIPAL OF THE SUPPLEMENTAL STATE CONTRIBUTION FUND OR THE AMOUNT OF THE AVAILABLE PRINCIPAL NEEDED TO REDUCE THE EMPLOYEE CONTRIBUTION OF EACH ELIGIBLE STATE EMPLOYEE FOR ALL QUALIFYING GROUP BENEFIT PLANS TO ZERO. IF AN ELIGIBLE STATE EMPLOYEE WHO RECEIVES A SUPPLEMENT IS ENROLLED IN SEPARATE QUALIFYING GROUP BENEFIT PLANS FOR MEDICAL AND DENTAL BENEFITS, THE STATE SHALL SUPPLEMENT THE STATE CONTRIBUTION TO THE PLAN THAT PROVIDES MEDICAL BENEFITS UNTIL THE EMPLOYEE CONTRIBUTION FOR THAT PLAN IS REDUCED TO ZERO BEFORE SUPPLEMENTING THE STATE CONTRIBUTION TO THE PLAN THAT PROVIDES DENTAL BENEFITS.

(c) FOR PURPOSES OF THIS SUBSECTION (3):

(I) "AVAILABLE PRINCIPAL OF THE SUPPLEMENTAL STATE CONTRIBUTION FUND" OR "AVAILABLE PRINCIPAL" MEANS, FOR ANY GIVEN FISCAL YEAR, THE SUM OF THE AMOUNT OF TOBACCO LITIGATION SETTLEMENT MONEYS TRANSFERRED BY THE STATE TREASURER TO THE FUND ON JULY 1 OF THE FISCAL YEAR AND ANY OTHER PRINCIPAL OF THE FUND MINUS THE AMOUNT OF PRINCIPAL ALLOCATED DURING THE FISCAL YEAR TO PAY THE COSTS OF INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (3).

(II) "INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS" MEANS, FOR ANY GIVEN FISCAL YEAR, THE AGGREGATE AMOUNT OF INCREASES IN STATE CONTRIBUTIONS, EXCLUDING SUPPLEMENTS, RESULTING FROM:

(A) ENROLLMENT IN QUALIFYING GROUP BENEFIT PLANS OF ELIGIBLE STATE EMPLOYEES WHO APPLIED FOR SUPPLEMENTS FOR THE FISCAL YEAR AND WERE NOT ENROLLED IN QUALIFYING GROUP BENEFIT PLANS DURING THE PRIOR FISCAL YEAR; AND

(B) ADDITION OF DEPENDENTS WHO WERE NOT COVERED BY A QUALIFYING GROUP BENEFIT PLAN DURING THE PRIOR FISCAL YEAR TO THE QUALIFYING GROUP BENEFIT PLANS OF ELIGIBLE STATE EMPLOYEES WHO APPLIED FOR SUPPLEMENTS DURING THE FISCAL YEAR.

(4) A STATE EMPLOYEE SHALL APPLY TO THE DEPARTMENT OF PERSONNEL FOR A

SUPPLEMENT. THE APPLICATION SHALL BE ON A FORM PRESCRIBED BY THE DIRECTOR, AND THE EMPLOYEE SHALL PROVIDE ANY SUPPORTING INFORMATION THAT THE DIRECTOR MAY REASONABLY REQUIRE TO ALLOW THE DEPARTMENT TO VERIFY THAT THE STATE EMPLOYEE IS AN ELIGIBLE STATE EMPLOYEE. A STATE EMPLOYEE SHALL FILE AN APPLICATION FOR A SUPPLEMENT ANNUALLY DURING THE OPEN ENROLLMENT PERIOD OR OPEN ENROLLMENT GRACE PERIOD FOR ENROLLING IN GROUP BENEFIT PLANS FOR THE NEXT STATE FISCAL YEAR, AND, IF THE APPLICANT IS AN ELIGIBLE STATE EMPLOYEE AND ENROLLS IN A QUALIFYING GROUP BENEFIT PLAN, THE APPLICANT SHALL RECEIVE A SUPPLEMENT FOR THE NEXT STATE FISCAL YEAR. A NEWLY HIRED STATE EMPLOYEE SHALL NOT BE ELIGIBLE FOR A SUPPLEMENT IN THE STATE FISCAL YEAR IN WHICH HE OR SHE IS HIRED, BUT MAY APPLY FOR A SUPPLEMENT DURING THE OPEN ENROLLMENT PERIOD OR OPEN ENROLLMENT GRACE PERIOD FOR ENROLLING IN GROUP BENEFIT PLANS FOR THE NEXT STATE FISCAL YEAR.

(5) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136 (11) (a), NO LATER THAN JANUARY 15, 2009, AND NO LATER THAN EACH SUCCEEDING JANUARY 15, THE DEPARTMENT OF PERSONNEL SHALL REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE HOUSE AND SENATE AND THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY OR ANY SUCCESSOR COMMITTEES REGARDING THE SUPPLEMENTAL STATE CONTRIBUTION PROGRAM ESTABLISHED IN THIS SECTION. THE REPORT SHALL INCLUDE, AT A MINIMUM, INFORMATION REGARDING:

(a) THE NUMBER OF ELIGIBLE STATE EMPLOYEES RECEIVING SUPPLEMENTS IN THE CURRENT STATE FISCAL YEAR AND ANY PRIOR STATE FISCAL YEARS IN WHICH SUPPLEMENTS WERE PROVIDED;

(b) THE TOTAL AMOUNT OF SUPPLEMENTS THAT HAVE BEEN OR WILL BE PAID IN THE CURRENT STATE FISCAL YEAR AND THAT WERE PAID IN ANY PRIOR STATE FISCAL YEARS IN WHICH SUPPLEMENTS WERE PROVIDED;

(c) THE AVERAGE MONTHLY AND YEARLY AMOUNTS OF THE INDIVIDUAL SUPPLEMENTS PROVIDED FOR THE CURRENT STATE FISCAL YEAR AND FOR ANY PRIOR STATE FISCAL YEARS IN WHICH SUPPLEMENTS WERE PROVIDED;

(d) THE NUMBER OF DEPENDENT CHILDREN OF ELIGIBLE STATE EMPLOYEES RECEIVING SUPPLEMENTS COVERED BY A QUALIFYING GROUP BENEFIT PLAN DURING THE CURRENT STATE FISCAL YEAR AND FOR ANY PRIOR STATE FISCAL YEARS IN WHICH SUPPLEMENTS WERE PROVIDED; AND

(e) THE AMOUNT OF INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS, AS DEFINED IN SUBPARAGRAPH (II) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION, FOR THE CURRENT STATE FISCAL YEAR AND FOR ANY PRIOR STATE FISCAL YEARS IN WHICH SUPPLEMENTS WERE PROVIDED.

SECTION 2. 25-36-101, Colorado Revised Statutes, as enacted by Senate Bill 07-097, enacted at the First Regular Session of the Sixty-sixth General Assembly, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

25-36-101. Short-term grants for innovative health programs - grant fund - creation - appropriation from fund. (4) NOTWITHSTANDING ANY OTHER

PROVISION OF THIS SECTION, FOR THE 2007-08 FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE UP TO ONE HUNDRED SIXTY THOUSAND DOLLARS FROM THE SHORT-TERM INNOVATIVE HEALTH PROGRAM GRANT FUND TO THE DEPARTMENT OF PERSONNEL FOR THE ESTABLISHMENT OF A PILOT DISEASE MANAGEMENT PROGRAM. THE PROGRAM SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO, A PILOT CHILDHOOD ASTHMA PROGRAM AIMED AT ELIMINATING ACCESS BARRIERS TO CARE FOR LOWER-INCOME STATE EMPLOYEES AND THEIR DEPENDENTS WHO HAVE AT LEAST ONE ASTHMA-RELATED HOSPITAL ADMISSION OR EMERGENCY ROOM VISIT. MONEYS APPROPRIATED MAY BE USED TO MAKE COPAYMENTS FOR APPROPRIATE ASTHMA DRUGS AND SPECIALTY PULMONARY SUPERVISION. THE DEPARTMENT SHALL REVIEW DATA FROM THE PILOT PROGRAM AND EXISTING GROUP BENEFIT PLAN CONTRACT TO DETERMINE THE EXTENT TO WHICH DISEASE MANAGEMENT AND OTHER HEALTH PLAN INNOVATIONS MAY LOWER HEALTH INSURANCE COSTS FOR STATE EMPLOYEES.

SECTION 3. 24-50-609 (2) (b) (I), Colorado Revised Statutes, as amended by Senate Bill 07-097, and 24-50-609 (5), Colorado Revised Statutes, as enacted by Senate Bill 07-097, enacted at the First Regular Session of the Sixty-sixth General Assembly, are amended to read:

24-50-609. State contributions - supplemental state contribution fund - creation. (2) (b) (I) The total premium for each particular group benefit plan offered to state employees pursuant to this part 6 and for each tier of said plan shall be the same for all eligible employees. The amount of the state contribution for each tier shall be determined by the director in accordance with section 24-50-104 (4) AND shall be the same for all eligible employees within the state personnel system; ~~and~~ EXCEPT THAT, BEGINNING WITH THE 2008-09 STATE FISCAL YEAR, THE STATE CONTRIBUTION shall be supplemented FOR ELIGIBLE STATE EMPLOYEES, AS DEFINED IN SECTION 24-50-609.5 (2) (a), in accordance with ~~subsection (5) of this section~~ SECTION 24-50-609.5. For purposes of this section, "tier" means the particular coverage options offered to eligible employees, including single employee, employee with one covered dependent, and employee with two or more covered dependents.

(5) The supplemental state contribution fund is hereby created in the state treasury. The principal of the fund shall consist of tobacco litigation settlement moneys transferred by the state treasurer to the fund pursuant to section 24-75-1104.5 (1.5) (a) (VI). ~~which, subject to annual appropriation by the general assembly,~~ THE PRINCIPAL OF THE FUND IS HEREBY CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT OF PERSONNEL AND shall be ~~used~~ EXPENDED in its entirety in each fiscal year BY THE DEPARTMENT TO PAY THE COSTS OF INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS, AS DEFINED IN SECTION 24-50-609.5 (3) (c) (II), AND supplement ~~by an equal amount for each employee,~~ the monthly state contribution, AS DEFINED IN SECTION 24-50-609.5 (2) (d), for each ELIGIBLE STATE employee, AS DEFINED IN SECTION 24-50-609.5 (2) (a), enrolled in a QUALIFYING group benefit plan, ~~that includes enrollment in medical benefits~~ AS DEFINED IN SECTION 24-50-609.5 (2) (c), AS REQUIRED BY SECTION 24-50-609.5; EXCEPT THAT THE DEPARTMENT SHALL EXPEND NO MORE THAN THE AMOUNT NEEDED TO PAY THE COSTS OF INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS AND REDUCE THE EMPLOYEE CONTRIBUTION, AS DEFINED IN SECTION 24-50-609.5 (2) (b), OF EACH ELIGIBLE STATE EMPLOYEE FOR ALL QUALIFYING GROUP BENEFIT PLANS TO ZERO.

THE PRINCIPAL OF THE FUND SHALL REMAIN IN THE FUND UNTIL EXPENDED AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND. Interest and income earned on the deposit and investment of moneys in the fund shall be credited to the fund, ~~and shall remain in the fund until the end of the fiscal year in which credited, when it shall be transferred to the short-term innovative health program grant fund created in section 25-36-101 (2), C.R.S., in accordance with section 24-75-1104.5 (1.5) (b).~~ SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR TO ANY OTHER FUND, AND SHALL BE USED BY THE DEPARTMENT, SUBJECT TO ANNUAL APPROPRIATION, SOLELY TO PAY THE COSTS OF THE DEPARTMENT RELATED TO THE SUPPLEMENTATION OF THE STATE CONTRIBUTION FOR EACH ELIGIBLE STATE EMPLOYEE REQUIRED BY SECTION 24-50-609.5.

SECTION 4. 24-75-1104.5 (1.5) (a) (VI) and (1.5) (b), Colorado Revised Statutes, as enacted by Senate Bill 07-097, enacted at the First Regular Session of the Sixty-sixth General Assembly, are amended to read:

24-75-1104.5. Use of settlement moneys - programs. (1.5) (a) For the 2007-08 fiscal year and for each fiscal year thereafter, the following programs, services, and funds shall receive the following specified amounts from the portion of the settlement moneys received by the state in the preceding fiscal year that remains after the programs, services, and funds receiving such moneys pursuant to subsection (1) of this section have been fully funded:

(VI) The supplemental state contribution fund created in section 24-50-609 (5) shall receive four and one-half percent of the settlement moneys, which the state treasurer shall transfer thereto and which, subject to annual appropriation by the general assembly, shall be used to PAY THE COSTS OF INCREASED NONSUPPLEMENTAL STATE CONTRIBUTIONS, AS DEFINED IN SECTION 24-50-609.5 (3) (c) (II), AND provide ~~a supplement in an equal amount for each covered employee,~~ SUPPLEMENTS to the state contribution for state employee group benefit plans FOR EACH ELIGIBLE STATE EMPLOYEE, AS DEFINED IN SECTION 24-50-609.5 (2) (a), AS REQUIRED BY SAID SECTION.

(b) Except as otherwise provided in ~~section 25.5-3-207 (4) (a)~~ SECTIONS 24-50-609 (5) AND 25.5-3-207 (4) (a), C.R.S., at the end of the 2007-08 fiscal year and at the end of each fiscal year thereafter, any interest and income earned on moneys allocated for the fiscal year pursuant to paragraph (a) of this subsection (1.5), and any of such allocated moneys that are unexpended and unencumbered, shall be transferred to the short-term innovative health program grant fund created in section 25-36-101 (2), C.R.S.

SECTION 5. Appropriation - adjustments to the 2007 long bill. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the short-term innovative health program grant fund created in section 25-36-101 (2), Colorado Revised Statutes, enacted by Senate Bill 07-097 at the first regular session of the sixty-sixth general assembly, not otherwise appropriated, to the department of personnel and administration, division of human resources, for the fiscal year beginning July 1, 2007, the sum of one hundred sixty thousand dollars (\$160,000), cash funds exempt, and 0.5 FTE, or so much thereof as may be necessary for the implementation of this act.

(2) (a) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of personnel and administration, division of human resources, for the fiscal year beginning July 1, 2007, the sum of one hundred thousand one hundred thirty-five dollars (\$100,135), or so much thereof as may be necessary, for the implementation of this act.

(b) For the implementation of this act, the appropriation made in section 21 of the annual general appropriation act for the fiscal year beginning July 1, 2007, shall be adjusted as follows: The general fund appropriation to the controlled maintenance trust fund is decreased by one hundred thousand one hundred thirty-five dollars (\$100,135).

SECTION 6. Section 14 (5) (c) of Senate Bill 07-097, enacted at the First Regular Session of the Sixty-sixth General Assembly, is amended to read:

Section 14. **Appropriation.** (5) (c) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the short-term innovative health program grant fund created in section 25-36-101 (2), Colorado Revised Statutes, not otherwise appropriated, to the department of public health and environment, for the fiscal year beginning July 1, 2007, the sum of ~~one million four hundred thousand dollars (\$1,400,000)~~ ONE MILLION TWO HUNDRED FORTY THOUSAND DOLLARS (\$1,240,000), cash funds exempt, and 1.0 FTE, or so much thereof as may be necessary, for the implementation of this act.

SECTION 7. 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 31, 2007