

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. R13-0039.02 Kristen Forrestal x4217

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SENATE SPONSORSHIP

Aguilar,

HOUSE SPONSORSHIP

Ginal,

Senate Committees
Health & Human Services

House Committees

SENATE CONCURRENT RESOLUTION 13-002

101 SUBMITTING TO THE REGISTERED ELECTORS OF THE STATE OF
102 COLORADO AN AMENDMENT TO THE COLORADO CONSTITUTION
103 CONCERNING THE CREATION OF A COLORADO HEALTH CARE
104 COOPERATIVE TO ENSURE ACCESS TO A STATEWIDE HEALTH
105 CARE SYSTEM THAT PROVIDES HEALTH CARE SERVICES TO ALL
106 PERSONS WHOSE DOMICILE IS COLORADO FOR ALL
107 HEALTH-RELATED ISSUES, AND, IN CONNECTION THEREWITH,
108 CREATING AN INTERIM AND THEN A PERMANENT BOARD OF
109 DIRECTORS TO ADMINISTER THE COOPERATIVE; REQUIRING THE
110 COOPERATIVE TO CONTRACT WITH HEALTH CARE PROVIDERS TO
111 DELIVER SPECIFIC HEALTH CARE BENEFITS; ASSESSING A SIX
112 PERCENT PAYROLL PREMIUM FROM EMPLOYERS, A THREE

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

101 **PERCENT PAYROLL PREMIUM FROM EMPLOYEES, COMPARABLE**
102 **EMPLOYER AND EMPLOYEE PREMIUMS FROM SELF-EMPLOYED**
103 **INDIVIDUALS, AND A NINE PERCENT PREMIUM ON OTHER**
104 **SPECIFIED INCOME; ASSESSING PREMIUMS AT A LOWER RATE**
105 **UNTIL THE COOPERATIVE ASSUMES FIDUCIARY RESPONSIBILITY**
106 **FOR HEALTH CARE PAYMENTS; PLACING A CAP ON THE AMOUNT**
107 **OF INCOME SUBJECT TO THE PREMIUMS; AUTHORIZING THE**
108 **BOARD TO INCREASE THE PREMIUMS IN SPECIFIED**
109 **CIRCUMSTANCES; AND REQUIRING THE DEPARTMENT OF**
110 **REVENUE TO COLLECT AND TRANSFER THE PREMIUMS TO PAY**
111 **FOR HEALTH CARE SERVICES PROVIDED THROUGH THE**
112 **COOPERATIVE.**

Resolution Summary

(Note: This summary applies to this resolution as introduced and does not reflect any amendments that may be subsequently adopted. If this resolution passes third reading in the house of introduction, a resolution summary that applies to the reengrossed version of this resolution will be available at <http://www.leg.state.co.us/billssummaries>.)

The concurrent resolution creates a constitutional amendment to establish a Colorado health care cooperative to provide health care through a statewide system. An interim board of directors will be appointed to the cooperative to carry out all responsibilities of the cooperative until the members of the cooperative have elected a permanent board to operate the cooperative. The cooperative is responsible for paying for health care services provided through the cooperative from premiums collected by the department of revenue. Permanent board members will be elected from among the members of the cooperative residing in different regions throughout the state.

The concurrent resolution requires the board to establish rules and bylaws and to create the structure of the cooperative. The amendment requires the cooperative to contract with health care providers to deliver specific health care benefits.

The concurrent resolution imposes a payroll premium on employers and employees and a premium on nonemployment-related income. The concurrent resolution submits a ballot question to the voters asking if taxes should be increased for the purpose of funding the health care cooperative.

1 SYSTEM; THAT COLORADO PROVIDE HEALTH CARE THROUGH A STATEWIDE
2 COOPERATIVE THAT IMPROVES THE HEALTH OF THE POPULATION,
3 ENHANCES THE PATIENT EXPERIENCE OF CARE, AND CONTROLS THE PER
4 CAPITA COST OF CARE.

5 **Section 2. Definitions.** FOR THE PURPOSE OF THIS ARTICLE:

6 (1) "ACCOUNTABLE CARE ORGANIZATION" OR "ACO" MEANS A
7 NONPROFIT CORPORATION THAT:

8 (a) PROVIDES MEDICAL HOMES FOR ITS ENROLLEES; AND

9 (b) IS CAPABLE OF PROVIDING OR CONTRACTING TO PROVIDE ALL
10 ENROLLEES WITH ALL DESIGNATED NECESSARY HEALTH SERVICES IN
11 RETURN FOR RECEIVING ACTUARIALLY ADJUSTED PER MEMBER PER MONTH
12 PAYMENTS FROM THE COOPERATIVE.

13 (2) "BOARD" MEANS THE ELECTED BOARD OF DIRECTORS THAT
14 GOVERNS THE COOPERATIVE.

15 (3) "COOPERATIVE" MEANS THE COLORADO HEALTH CARE
16 COOPERATIVE ESTABLISHED IN THIS ARTICLE.

17 (4) "EMPLOYER" MEANS AN INDIVIDUAL OR BUSINESS
18 ORGANIZATION, INCLUDING A NONPROFIT ORGANIZATION, THAT PAYS
19 COMPENSATION TO AN INDIVIDUAL FOR WORK PERFORMED AND THAT IS
20 REQUIRED BY STATE OR FEDERAL LAW TO WITHHOLD A PORTION OF THE
21 COMPENSATION FOR THE PAYMENT OF INCOME TAXES.

22 (5) "INTERIM BOARD" MEANS THE BOARD OF DIRECTORS APPOINTED
23 FOR THE GOVERNANCE OF THE COOPERATIVE UNTIL THE TRANSITION TO
24 THE ELECTED BOARD OCCURS.

25 (6) "MEDICAL HOME" MEANS AN APPROPRIATELY QUALIFIED,
26 COMMUNITY-BASED, AND CULTURALLY SENSITIVE MODEL OF PRIMARY
27 CARE THAT ENSURES THAT EVERY COLORADAN HAS A PERSONAL PROVIDER

1 WHO COORDINATES THE PROVISION OF ACCESSIBLE, COMPREHENSIVE, AND
2 CONTINUOUS HEALTH CARE ACROSS ALL STAGES OF LIFE. A "MEDICAL
3 HOME" MUST PROVIDE, AT A MINIMUM:

- 4 (a) HEALTH MAINTENANCE AND PREVENTIVE CARE;
- 5 (b) HEALTH EDUCATION;
- 6 (c) ACUTE AND CHRONIC ILLNESS AND INJURY CARE; AND
- 7 (d) COORDINATION OF MEDICATIONS, SPECIALISTS,
8 HOSPITALIZATIONS, AND THERAPIES.

9 (7) "MEMBER" MEANS A PERSON WHOSE DOMICILE IS IN COLORADO
10 FOR A CONTINUOUS YEAR OR SINCE BIRTH.

11 **Section 3. Colorado health care cooperative - establishment.**

12 (1) THERE IS HEREBY ESTABLISHED A STATEWIDE COLORADO HEALTH
13 CARE COOPERATIVE, WHICH IS A BODY CORPORATE AND POLITICAL
14 SUBDIVISION OF THE STATE, IS NOT AN AGENCY OF THE STATE, AND IS NOT
15 SUBJECT TO ADMINISTRATIVE DIRECTION OR CONTROL BY ANY
16 DEPARTMENT, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE.
17 IT IS A BODY OF THE PEOPLE, BY THE PEOPLE, AND FOR THE PEOPLE OF
18 COLORADO.

19 (2) THE PURPOSE OF THE COOPERATIVE IS TO PROVIDE A STATEWIDE
20 SYSTEM THAT INCLUDES ALL PERSONS WHOSE DOMICILIARY IS COLORADO
21 FOR ALL HEALTH-RELATED ISSUES. THE COOPERATIVE IS RESPONSIBLE FOR
22 ENSURING ACCESS TO HEALTH CARE FOR ALL MEMBERS AND MAKING
23 HEALTH PAYMENTS FOR THE SERVICES PROVIDED.

24 **Section 4. Interim board - governance and responsibilities.**

25 (1) (a) THE PRESIDENT OF THE SENATE, THE MINORITY LEADER OF THE
26 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE MINORITY
27 LEADER OF THE HOUSE OF REPRESENTATIVES, AND THE GOVERNOR SHALL

1 EACH APPOINT THREE MEMBERS TO THE INTERIM BOARD WITHIN SIXTY
2 DAYS AFTER THE CERTIFICATION OF THE VOTE OF THE 2013 ELECTION BY
3 THE GOVERNOR. IN MAKING THE APPOINTMENTS TO THE INTERIM BOARD,
4 THE APPOINTING AUTHORITIES SHALL MAKE GOOD-FAITH EFFORTS TO
5 ENSURE, TO THE GREATEST EXTENT POSSIBLE, THAT THEIR APPOINTMENTS
6 REFLECT THE SOCIAL, DEMOGRAPHIC, AND GEOGRAPHIC DIVERSITY OF THE
7 STATE.

8 (b) THE APPROPRIATE APPOINTING AUTHORITIES SHALL FILL A
9 VACANCY ON THE INTERIM BOARD WITHIN THIRTY DAYS AFTER THE
10 VACANCY OCCURS. THE APPOINTING AUTHORITIES SHALL MAKE
11 GOOD-FAITH EFFORTS TO ENSURE THAT EACH BOARD MEMBER WILL STRIVE
12 TO REPRESENT THE INTERESTS OF ALL COLORADANS AND ALL
13 STAKEHOLDERS, INCLUDING PATIENTS, PROVIDERS, TAXPAYERS, AND
14 EMPLOYERS.

15 (2) (a) (I) THE INTERIM BOARD SHALL CARRY OUT ALL DUTIES AND
16 RESPONSIBILITIES OF THE BOARD UNTIL THE MEMBERS HAVE ELECTED A
17 PERMANENT BOARD TO OPERATE THE COOPERATIVE. ONCE THE TRANSFER
18 OF ALL NECESSARY FUNDS HAS BEEN SECURED AND ALL PREPARATIONS FOR
19 OPERATION ARE COMPLETED TO THE SATISFACTION OF THE INTERIM BOARD,
20 THE INTERIM BOARD SHALL SET THE DATE FOR FULL TRANSITION OF
21 HEALTH CARE FINANCING TO THE COOPERATIVE.

22 (II) THE INTERIM BOARD SHALL PROVIDE WRITTEN CERTIFICATION
23 TO THE GOVERNOR NINETY DAYS PRIOR TO THE DATE THE COOPERATIVE IS
24 READY TO ASSUME RESPONSIBILITY FOR HEALTH CARE PAYMENTS. THE
25 INTERIM BOARD SHALL ALSO GIVE THE GOVERNOR NOTIFICATION THAT
26 UPON A DATE CERTAIN, THE STATE OF COLORADO IS TO BEGIN REGULAR
27 PREMIUM COLLECTION AND TRANSFER THE DESIGNATED FUNDS TO THE

1 COOPERATIVE.

2 (III) THE INTERIM BOARD SHALL CONDUCT THE FIRST ELECTION
3 WITHIN ONE YEAR AND THIRTY DAYS AFTER THE DATE THE COOPERATIVE
4 ASSUMES RESPONSIBILITY FOR THE HEALTH CARE PAYMENTS OR WITHIN
5 THREE YEARS AFTER INITIAL PREMIUM COLLECTION BEGINS, WHICHEVER
6 DATE IS FIRST. THE INTERIM BOARD MEMBERS SHALL CONTINUE TO SERVE
7 AS EX OFFICIO, NONVOTING BOARD MEMBERS FOR NINETY DAYS AFTER THE
8 ELECTED BOARD ASSUMES RESPONSIBILITY FOR THE OPERATION OF THE
9 COOPERATIVE.

10 (b) THE INTERIM BOARD SHALL DESIGN AND IMPLEMENT A
11 CANDIDATE SELECTION AND ELECTION PROCESS FOR ELECTING THE BOARD,
12 PREPARE AND MONITOR FAIR CAMPAIGN PRACTICE GUIDELINES, AND
13 PROMULGATE AND ENFORCE RULES THAT ENSURE THAT BOARD ELECTIONS
14 ARE FAIR AND OPEN AND FREE FROM UNDUE MONETARY INFLUENCE OF
15 LARGE DONORS, INCLUDING CAMPAIGN AND POLITICAL ACTION COMMITTEE
16 SPENDING LIMITS AND DONOR DISCLOSURE REQUIREMENTS. THE ELECTION
17 PROCESS MUST BE INDEPENDENT OF POLITICAL PARTY AFFILIATION. EACH
18 MEMBER OVER THE AGE OF EIGHTEEN IS ENTITLED TO VOTE IN EACH BOARD
19 MEMBER ELECTION IN HIS OR HER DISTRICT.

20 **Section 5. Elected board of directors - duties and**
21 **responsibilities.** (1) A MEMBER-ELECTED BOARD OF SEVENTEEN MEMBERS
22 SHALL GOVERN THE COOPERATIVE. TWO DIRECTORS MUST BE ELECTED
23 FROM AMONG THE MEMBERS RESIDING IN EACH DISTRICT, AND THREE WILL
24 BE ELECTED AT LARGE. THE BOARD SHALL DIVIDE THE STATE INTO SEVEN
25 CONTIGUOUS DISTRICTS WITH, AS MUCH AS POSSIBLE, SIMILAR POPULATION
26 SIZES AND BASED ON HEALTH NETWORK ALLIANCES. THE BOARD MAY
27 CHANGE THESE DISTRICTS AS NEEDED TO REFLECT CHANGES IN

1 POPULATIONS.

2 (2) (a) BOARD MEMBERS SHALL SERVE FOUR-YEAR TERMS OF
3 OFFICE AND ARE LIMITED TO SERVING TWO CONSECUTIVE TERMS; EXCEPT
4 THAT, OF THE INITIAL MEMBERS ELECTED TO THE BOARD, NINE SERVE FOR
5 TWO-YEAR TERMS AND EIGHT SERVE FOR FOUR-YEAR TERMS. INITIAL
6 BOARD MEMBERS ELECTED TO TWO-YEAR TERMS ARE ELIGIBLE TO SERVE
7 TWO YEARS AND THEN TWO CONSECUTIVE FOUR-YEAR TERMS.

8 (b) VACANCIES OCCURRING WITH LESS THAN ONE YEAR LEFT TO
9 SERVE IN A TERM MUST BE FILLED AT THE NEXT ELECTION. VACANCIES
10 OCCURRING WITH MORE THAN ONE YEAR LEFT TO SERVE IN A TERM MUST
11 BE FILLED BY BOARD APPOINTMENT UNTIL THE NEXT GENERAL ELECTION.

12 (c) THE BOARD MAY MODIFY THE ELECTION PROCESS AS
13 NECESSARY TO MAINTAIN THE INTEGRITY OF THE PROCESS.

14 (3) THE BOARD SHALL:

15 (a) SELECT A CHAIRPERSON AND OTHER OFFICERS THAT IT DEEMS
16 NECESSARY;

17 (b) ESTABLISH BYLAWS, RULES, AND REGULATIONS IT DEEMS
18 NECESSARY;

19 (c) HIRE AN EXECUTIVE TEAM THAT INCLUDES A CHIEF EXECUTIVE
20 OFFICER, A CHIEF FINANCIAL OFFICER, AND A CHIEF MEDICAL OFFICER. THE
21 EXECUTIVE TEAM REPORTS DIRECTLY TO THE BOARD AND SERVES AT THE
22 PLEASURE OF THE BOARD.

23 (d) HIRE PERSONNEL AND CONSULTANTS AS REQUIRED TO ENABLE
24 THE COOPERATIVE TO EFFECTIVELY FULFILL ITS RESPONSIBILITIES;

25 (e) PROVIDE FUNDS TO THE COMMISSIONER OF INSURANCE FOR THE
26 ESTABLISHMENT OF AN OMBUDSMAN OFFICE FOR THE MEMBERS AND AN
27 OMBUDSMAN OFFICE FOR PROVIDERS WITH THE CAPACITY TO RESPOND TO

1 INQUIRIES AND COMPLAINTS WITHIN TEN BUSINESS DAYS. THE OMBUDSMAN
2 MUST SEMIANNUALLY FILE WITH THE BOARD PERIODIC REPORTS
3 SUMMARIZING INQUIRIES. THESE REPORTS MUST BE AVAILABLE FOR PUBLIC
4 INSPECTION.

5 (f) CREATE PROCEDURES FOR ESTABLISHING MEMBERSHIP IN THE
6 COOPERATIVE;

7 (g) PROVIDE MEMBERS WITH INFORMATION ABOUT THE CREATION
8 AND FUNCTION OF THE COOPERATIVE AND THE DATES AND CIRCUMSTANCES
9 FOR EACH ELECTION, INCLUDING HOW TO BECOME A CANDIDATE FOR THE
10 BOARD;

11 (h) ESTABLISH PROCEDURES FOR MANAGING SURPLUS FUNDING BY
12 MAINTAINING NECESSARY OPERATING RESERVES, INCREASING BENEFITS, OR
13 ISSUING REFUNDS TO MEMBERS;

14 (i) ESTABLISH PROCEDURES FOR AVOIDING DEFICITS BY ADJUSTING
15 REIMBURSEMENT, BENEFITS, AND COPAYMENTS, OR FOR REFERRING
16 FUNDING PROPOSALS TO THE MEMBERS;

17 (j) PROMULGATE RULES FOR A PERIODIC INDEPENDENT AUDIT OF
18 FINANCIAL STATUS AND QUALITY OF MEDICAL SERVICES IN THE
19 COOPERATIVE AT LEAST EVERY THREE YEARS, WITH RECOMMENDATIONS
20 FOR IMPROVEMENT;

21 (k) PROMULGATE AND ENFORCE RULES FOR THE COOPERATIVE AND
22 ITS PROVIDERS THAT ALLOW FOR INDEPENDENT RESEARCH OF THE
23 DATABASES OF THE COOPERATIVE, WHILE PROTECTING AGAINST THE
24 DISCLOSURE OF CONFIDENTIAL PERSONAL IDENTIFYING INFORMATION;

25 (l) DEVELOP, IMPLEMENT, AND MAKE PUBLICLY AVAILABLE A
26 FINANCIAL PLAN THAT MAY BE MODIFIED AT THE DISCRETION OF THE
27 BOARD;

1 (m) ESTABLISH FOR ALL PROVIDERS RECEIVING PAYMENTS FROM
2 THE COOPERATIVE AN EFFICIENT AND ECONOMICAL ESSENTIAL MEDICAL
3 RECORDS AND BILLING RECORDS SYSTEM THAT MAINTAINS INDIVIDUAL
4 PATIENT MEDICAL RECORDS THAT:

5 (I) CAN BE EASILY ACCESSED BY PROVIDERS AND MEMBERS;

6 (II) ALLOWS ANY PROVIDER TO MAKE ENTRIES INTO THE RECORD
7 AND VIEW THE ENTRIES OF OTHER PROVIDERS;

8 (III) RECORDS BILLING INFORMATION IN A MANNER THAT ALLOWS
9 WELL INFORMED CONSUMERS TO REVIEW BILLING INFORMATION FOR
10 ACCURACY;

11 (IV) ALLOWS THE COOPERATIVE TO MAINTAIN A CENTRAL
12 DATABASE OF MEDICAL RECORDS FOR MANAGEMENT AND RESEARCH
13 PURPOSES; AND

14 (V) ENSURES THE CONFIDENTIALITY OF MEMBERS' MEDICAL
15 RECORDS.

16 (n) ADMINISTER ALL PUBLIC FUNDS PROVIDED TO COLORADO
17 RESIDENTS FOR HEALTH CARE SERVICES, EXCEPT FOR FUNDS ADMINISTERED
18 SOLELY BY THE FEDERAL GOVERNMENT.

19 (4) NO PART OF THE REVENUES OR ASSETS OF THE COOPERATIVE
20 MAY INURE TO THE BENEFIT OF, OR MAY BE DISTRIBUTED TO, A BOARD
21 MEMBER, OFFICER, OR PRIVATE PERSON OR ENTITY; EXCEPT THAT THE
22 COOPERATIVE MAY MAKE ACTUAL AND NECESSARY PAYMENTS FOR
23 EXPENSES INCURRED ON ITS BEHALF RELATING TO ANY OF ITS LAWFUL
24 PURPOSES. THE COOPERATIVE MAY PAY REASONABLE COMPENSATION FOR
25 SERVICES RENDERED RELATING TO ITS LAWFUL PURPOSES.

26 (5) THE BOARD IS GRANTED ALL POWERS NECESSARY AND PROPER
27 TO FULFILL THE RESPONSIBILITY OF THE COOPERATIVE TO ENSURE ACCESS

1 TO NECESSARY HEALTH CARE FOR ALL COLORADO RESIDENTS.

2 **Section 6. Health care benefits provided by the cooperative.**

3 (1) THE COOPERATIVE SHALL CONTRACT WITH PROVIDERS AND ACOs TO
4 DELIVER HEALTH CARE BENEFITS THAT INCLUDE:

- 5 (a) PRIMARY AND SPECIALTY CARE;
- 6 (b) HOSPITALIZATION;
- 7 (c) PHARMACEUTICALS AND DURABLE MEDICAL EQUIPMENT;
- 8 (d) MENTAL HEALTH AND SUBSTANCE ABUSE TREATMENT;
- 9 (e) EMERGENCY AND URGENT CARE;
- 10 (f) HEALTH MAINTENANCE AND DISEASE PREVENTION;
- 11 (g) HEALTH, WELLNESS, AND END-OF-LIFE EDUCATION;
- 12 (h) DESIGNATED DENTAL, VISION, AND HEARING BENEFITS;
- 13 (i) LONG-TERM SERVICES AND SUPPORT AT LEAST AT THE LEVEL
14 PROVIDED BY FEDERAL STANDARDS FOR THOSE MEMBERS ELIGIBLE; AND
15 (j) PALLIATIVE AND END-OF-LIFE CARE.

16 (2) (a) THE COOPERATIVE SHALL PROVIDE HEALTH CARE BENEFITS
17 TO MEMBERS REGARDLESS OF WHETHER THE SERVICES ARE THE RESULT OF
18 AN AUTOMOBILE OR OTHER ACCIDENT OR THE RESULT OF AN INJURY
19 DURING EMPLOYMENT. WHERE APPLICABLE, THE COOPERATIVE MAY
20 RECOVER EXPENSES THROUGH SUBROGATION.

21 (b) THE COOPERATIVE SHALL ASSUME RESPONSIBILITY FOR
22 PAYMENT OF ALL ACTUAL AND NECESSARY MEDICAL EXPENSES INCURRED
23 BY WORKERS WHO ARE MEMBERS AND SUFFER INJURIES ARISING OUT OF
24 AND IN THE COURSE OF THEIR EMPLOYMENT AS OF THE DATE THE
25 COOPERATIVE ASSUMES RESPONSIBILITY FOR HEALTH CARE PAYMENTS.

26 (c) THE COOPERATIVE SHALL ASSUME RESPONSIBILITY FOR
27 PAYMENTS OF ALL ACTUAL AND NECESSARY MEDICAL EXPENSES INCURRED

1 BY WORKERS WHO ARE NONMEMBERS AND SUFFER INJURIES ARISING OUT
2 OF AND IN THE COURSE OF THEIR EMPLOYMENT AS OF THE DATE THE
3 COOPERATIVE ASSUMES RESPONSIBILITY FOR HEALTH CARE PAYMENTS IF
4 THE NONMEMBER IS WORKING FOR A COLORADO EMPLOYER THAT
5 MAINTAINS WORKERS' COMPENSATION INSURANCE FOR LOST WAGES AND
6 PERMANENT INJURY.

7 (3) THE COOPERATIVE SHALL NOT CHARGE DEDUCTIBLES OR
8 COPAYMENTS FOR DESIGNATED PREVENTIVE SERVICES OR COPAYMENTS
9 FOR DESIGNATED PRIMARY CARE SERVICES.

10 (4) THE COOPERATIVE SHALL APPROVE ALL COPAYMENTS
11 PROPOSED BY PROVIDERS AND ACOs.

12 (5) THE COOPERATIVE WILL ALLOW MEMBERS TO CHOOSE THEIR
13 OWN PRIMARY CARE PROVIDER.

14 (6) THE COOPERATIVE SHALL ASSURE STATEWIDE ACCESS TO
15 EMERGENCY AND TRAUMA SERVICES, AND MAY PROVIDE THE NEEDED
16 FUNDING OR OTHER SUPPORT FOR AN EMERGENCY TRAUMA SERVICES
17 SYSTEM AS DETERMINED BY THE COLORADO DEPARTMENT OF PUBLIC
18 HEALTH AND ENVIRONMENT.

19 (7) THE COOPERATIVE SHALL RESERVE FUNDS TO PROVIDE FOR
20 MEDICAL SERVICES DURING A STATEWIDE OR LOCAL PUBLIC HEALTH
21 EMERGENCY.

22 (8) THE BOARD SHALL ESTABLISH POLICIES AND PROCEDURES TO
23 PAY FOR HEALTH CARE BENEFITS FOR PEOPLE WHO INTEND TO ESTABLISH
24 RESIDENCY IN COLORADO AND HAVE NOT RESIDED IN THE STATE FOR ONE
25 YEAR, IF THE BOARD DETERMINES THAT THESE POLICIES AND PROCEDURES
26 DO NOT RESULT IN A SIGNIFICANT INCREASE OF IMMIGRATION TO
27 COLORADO FOR PEOPLE WITH HIGH-COST MEDICAL CONDITIONS AND DO

1 NOT RESULT IN HEALTH CARE COSTS EXCEEDING THE PREMIUMS PAID BY
2 THE INDIVIDUALS WHO HAVE NOT YET ESTABLISHED RESIDENCY.

3 **Section 7. Delivery of service models.** (1) THE COOPERATIVE
4 SHALL BEGIN OPERATION BY ASSUMING PAYMENT FOR HEALTH CARE
5 SERVICES IN A MANNER DESIGNED TO MINIMIZE DISRUPTIONS TO CURRENT
6 DELIVERY SYSTEMS.

7 (2) THE COOPERATIVE WILL PHASE IN PAYMENT REFORMS AND A
8 UNIFIED BILLING SYSTEM DESIGNED WITH INPUT FROM PROVIDERS.

9 (3) THE COOPERATIVE MAY ADOPT ANY PAYMENT MODEL THAT THE
10 BOARD DETERMINES TO BE EFFECTIVE IN IMPROVING VALUE AND QUALITY
11 OR ACHIEVING DESIRABLE HEALTH OUTCOMES AND SATISFIES THE DESIRE
12 OF INDIVIDUALS TO EXERCISE CHOICE.

13 (4) THE COOPERATIVE SHALL ESTABLISH A CENTRAL PURCHASING
14 AUTHORITY RESPONSIBLE FOR NEGOTIATING FAVORABLE PRICES FOR
15 PRESCRIPTION DRUGS AND MEDICAL EQUIPMENT.

16 (5) THE COOPERATIVE SHALL ESTABLISH PROCEDURES TO ENSURE
17 ADEQUATE FUNDING FOR PROVIDERS DETERMINED TO BE SERVING A
18 DISPROPORTIONATE NUMBER OF MEMBERS WITH EXPENSIVE HEALTH CARE
19 NEEDS.

20 (6) THE COOPERATIVE SHALL ENSURE REASONABLE ACCESS TO
21 HEALTH CARE FOR ALL MEMBERS REGARDLESS OF THEIR LOCATION IN THIS
22 STATE.

23 **Section 8. Transition to the Colorado health care cooperative.**

24 (1) THE BOARD SHALL SEEK INPUT FROM AND COLLABORATE WITH THE
25 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, THE DEPARTMENT OF
26 HEALTH CARE POLICY AND FINANCING, THE COLORADO HEALTH BENEFIT
27 EXCHANGE, AND THE GENERAL ASSEMBLY TO SEEK ALL WAIVERS,

1 EXEMPTIONS, AND AGREEMENTS FROM THE FEDERAL GOVERNMENT
2 NECESSARY TO TRANSFER HEALTH CARE FUNDING FROM THE FEDERAL
3 GOVERNMENT TO THE STATE.

4 (2) THE STATE SHALL TRANSFER THE FEDERAL FUNDS TO THE
5 COOPERATIVE ON THE DATE THE COOPERATIVE ASSUMES RESPONSIBILITY
6 FOR HEALTH CARE PAYMENTS.

7 (3) THE COOPERATIVE SHALL ASSUME RESPONSIBILITY FOR THE
8 PROPER ADMINISTRATION AND DISTRIBUTION OF THE FEDERAL FUNDS
9 PURSUANT TO FEDERAL LAW.

10 (4) THE BOARD MAY APPLY FOR THE COOPERATIVE TO BECOME A
11 MEDICARE ADVANTAGE PROGRAM OR ANY SUCCESSOR PROGRAM.

12 (5) THE BOARD IS AUTHORIZED TO APPLY FOR FUNDS AND ENROLL
13 IN ANY PROGRAM THAT DOES NOT ALTER THE MISSION OF THE
14 COOPERATIVE.

15 **Section 9. Funding of the cooperative - collection of premiums.**

16 (1) THE BOARD SHALL BE RESPONSIBLE FOR THE DETERMINATION AND
17 ASSESSMENT OF PREMIUMS THAT SHALL BE COLLECTED BY THE
18 DEPARTMENT OF REVENUE.

19 (2) ON AND AFTER JULY 1, 2014, AND UNTIL THE COOPERATIVE
20 ASSUMES FIDUCIARY RESPONSIBILITY FOR HEALTH CARE PAYMENTS, THE
21 COLORADO DEPARTMENT OF REVENUE SHALL COLLECT AND TRANSFER TO
22 THE COOPERATIVE:

23 (a) A TWO-TENTHS PERCENT PAYROLL PREMIUM FROM EACH
24 EMPLOYER IN ORDER TO SPONSOR THE COOPERATIVE HEALTH PLAN;

25 (b) A ONE-TENTH PERCENT PAYROLL PREMIUM FROM EACH
26 EMPLOYEE IN ORDER TO SPONSOR THE COOPERATIVE HEALTH PLAN. THE
27 EMPLOYER MAY, DUE TO A CONTRACT WITH A UNION OR FOR ANY OTHER

1 REASON, PAY ALL OR PART OF THE EMPLOYEE PORTION OF THE PAYROLL
2 PREMIUM.

3 (c) A TWO-TENTHS PERCENT INCOME EMPLOYER'S PREMIUM AND A
4 ONE-TENTH PERCENT EMPLOYEE'S PREMIUM FROM SELF-EMPLOYED
5 INDIVIDUALS BASED ON GROSS INCOME; AND

6 (d) A THREE-TENTHS PERCENT PREMIUM ON ALL INCOME,
7 EXCLUDING PENSION, SOCIAL SECURITY, CHILD SUPPORT, AND
8 UNEMPLOYMENT INSURANCE INCOME, THAT DOES NOT COME FROM
9 COLORADO PAYROLL OR COLORADO SELF-EMPLOYMENT.

10 (3) ONCE THE COOPERATIVE ASSUMES FIDUCIARY RESPONSIBILITY
11 FOR HEALTH CARE PAYMENTS, THE COLORADO DEPARTMENT OF REVENUE
12 SHALL COLLECT AND TRANSFER TO THE COOPERATIVE:

13 (a) A SIX PERCENT PAYROLL PREMIUM FROM EMPLOYERS FOR THE
14 PURPOSE OF SPONSORING THE COOPERATIVE HEALTH PLAN;

15 (b) A THREE PERCENT PAYROLL PREMIUM FROM EMPLOYEES, OF
16 WHICH THE EMPLOYER MAY PAY ALL OR PART OF THE EMPLOYEE PORTION
17 OF THE PREMIUM;

18 (c) A SIX PERCENT EMPLOYER'S PREMIUM AND A THREE PERCENT
19 EMPLOYEE'S PREMIUM FROM SELF-EMPLOYED INDIVIDUALS;

20 (d) A NINE PERCENT PREMIUM ON ALL INCOME THAT DOES NOT
21 COME FROM COLORADO PAYROLL OR COLORADO SELF-EMPLOYMENT,
22 EXCLUDING PENSION, SOCIAL SECURITY, CHILD SUPPORT, AND
23 UNEMPLOYMENT INSURANCE INCOME; AND

24 (e) THE TOTAL PAYROLL OR INCOME SUBJECT TO THE PREMIUMS,
25 EXCLUDING PENSION, SOCIAL SECURITY, UNEMPLOYMENT INSURANCE
26 INCOME, AND CHILD SUPPORT, SHALL NOT EXCEED THREE HUNDRED FIFTY
27 THOUSAND DOLLARS FOR THOSE FILING INDIVIDUALLY AND FOUR HUNDRED

1 FIFTY THOUSAND DOLLARS FOR THOSE FILING JOINTLY. THESE LIMITS MUST
2 BE ANNUALLY ADJUSTED TO INFLATION USING THE CONSUMER PRICE INDEX.

3 (4) THE BOARD SHALL CONDUCT AN ANNUAL ASSESSMENT OF
4 REVENUES AND COSTS AND PREPARE A PUBLIC REPORT REGARDING THE
5 FINANCIAL STATUS OF THE COOPERATIVE AND OPTIONS CONSIDERED FOR
6 ECONOMIES, INCREASED BENEFITS, MEMBER REFUNDS, BUILDING
7 NECESSARY RESERVES, AND PREMIUM INCREASES. THE BOARD SHALL
8 RELEASE THE ANNUAL REPORT ON OR BEFORE JULY 1 OF EACH YEAR.

9 (5) NO MORE THAN ONE TIME PER CALENDAR YEAR AND UPON
10 APPROVAL OF THE VOTE OF THE MAJORITY OF THE MEMBERS OF THE
11 COOPERATIVE, IF THE BOARD DETERMINES THAT A PREMIUM INCREASE IS
12 NECESSARY TO MAINTAIN THE FISCAL STABILITY OF THE PLAN, THE BOARD
13 MAY RAISE THE PREMIUM RATES BY A FACTOR OF UP TO TWO PERCENT OF
14 THE EXISTING PREMIUM.

15 (6) THE BOARD IS AUTHORIZED TO SEEK GIFTS, GRANTS, AND
16 DONATIONS AND FEDERAL GRANT MONEYS TO IMPLEMENT, IMPROVE, OR
17 OPERATE THE COOPERATIVE.

18 **Section 10. Exemptions.** (1) THE PREMIUMS COLLECTED BY THE
19 COOPERATIVE ARE EXCLUDED FROM FISCAL YEAR SPENDING, AS THAT TERM
20 IS DEFINED IN SECTION 20 OF ARTICLE X OF THIS CONSTITUTION AND ALL
21 CORRESPONDING SPENDING LIMITS UPON STATE GOVERNMENT.

22 (2) THE COOPERATIVE IS EXEMPT FROM THE LAWS AND RULES OF
23 THE STATE DEPARTMENT OF PERSONNEL.

24 **Section 11. Private health insurers.** NOTHING IN THIS ARTICLE
25 PROHIBITS PRIVATE HEALTH INSURERS FROM CONDUCTING BUSINESS IN
26 COLORADO.

27 **Section 12. Cooperative - insurance secondary.** (1) THE

1 COOPERATIVE SERVES AS A SECONDARY INSURANCE PAYER TO ANY OTHER
2 HEALTH INSURANCE COVERAGE PLAN IN WHICH A MEMBER IS ENROLLED.
3 THE COOPERATIVE SHALL MAKE A PAYMENT TO A PROVIDER ONLY AFTER
4 OTHER APPLICABLE INSURANCE CARRIERS HAVE PAID THE FULL AMOUNT
5 DUE UNDER THE INSURANCE CARRIER'S PLAN. THE TOTAL OF A
6 COOPERATIVE PAYMENT AND ALL OTHER INSURANCE COVERAGE PLAN
7 PAYMENTS MUST NOT EXCEED THE AMOUNT THAT THE COOPERATIVE
8 WOULD PAY IF IT WERE THE ONLY INSURANCE CARRIER MAKING A
9 PAYMENT.

10 (2) IF FEDERAL MEDICARE WAIVERS ARE NOT GRANTED, THE
11 COOPERATIVE SHALL SERVE AS A SECONDARY PAYER TO MEDICARE.

12 (3) THE BOARD SHALL ESTABLISH RULES FOR HEALTH CARE
13 PAYMENTS WHEN A MEMBER HAS OTHER HEALTH INSURANCE OR ACCESS TO
14 OTHER HEALTH SYSTEMS IN THE STATE.

15 **Section 13. Subject to Colorado sunshine laws.** THE MEETINGS
16 OF THE BOARD ARE SUBJECT TO ARTICLE 6 OF TITLE 24, COLORADO
17 REVISED STATUTES, THE "COLORADO SUNSHINE ACT OF 1972".

18 **Section 14. Repeal.** IF THE BOARD DOES NOT RECEIVE THE
19 WAIVERS, EXEMPTIONS, AND AGREEMENTS FROM THE FEDERAL
20 GOVERNMENT SUFFICIENT FOR THE FISCALLY SOUND OPERATION OF THE
21 COOPERATIVE, THE BOARD SHALL SHUT DOWN OPERATIONS AND RETURN
22 UNUSED PREMIUMS, AND SHALL NOTIFY THE REVISOR OF STATUTES IN
23 WRITING OF THE DATE THE OPERATIONS ARE SHUT DOWN, AND THE REVISOR
24 OF STATUTES SHALL REPEAL THIS ARTICLE.

25 **SECTION 2. Ballot question regarding the collection of**
26 **premiums to fund the Colorado health care cooperative.** Each elector
27 voting at said election and desirous of voting for or against said

1 amendment shall cast a vote as provided by law either "Yes" or "No" on
2 the proposition: "SHALL STATE TAXES BE INCREASED [number to
3 be inserted here must be the final, full fiscal year dollar increase after
4 highest rates are phased in] ANNUALLY BY AN AMENDMENT TO
5 THE COLORADO CONSTITUTION CONCERNING THE CREATION
6 OF A COLORADO HEALTH CARE COOPERATIVE TO ENSURE
7 ACCESS TO A STATEWIDE HEALTH CARE SYSTEM THAT
8 PROVIDES HEALTH CARE SERVICES TO ALL PERSONS WHOSE
9 DOMICILE IS COLORADO FOR ALL HEALTH-RELATED ISSUES,
10 AND, IN CONNECTION THEREWITH, CREATING AN INTERIM
11 AND THEN A PERMANENT BOARD OF DIRECTORS TO
12 ADMINISTER THE COOPERATIVE; REQUIRING THE
13 COOPERATIVE TO CONTRACT WITH HEALTH CARE
14 PROVIDERS TO DELIVER SPECIFIC HEALTH CARE BENEFITS;
15 ASSESSING A SIX PERCENT PAYROLL PREMIUM FROM
16 EMPLOYERS, A THREE PERCENT PAYROLL PREMIUM FROM
17 EMPLOYEES, COMPARABLE EMPLOYER AND EMPLOYEE
18 PREMIUMS FROM SELF-EMPLOYED INDIVIDUALS, AND A NINE
19 PERCENT PREMIUM ON OTHER SPECIFIED INCOME; ASSESSING
20 PREMIUMS AT A LOWER RATE UNTIL THE COOPERATIVE
21 ASSUMES FIDUCIARY RESPONSIBILITY FOR HEALTH CARE
22 PAYMENTS; PLACING A CAP ON THE AMOUNT OF INCOME
23 SUBJECT TO THE PREMIUMS; AUTHORIZING THE BOARD TO
24 INCREASE THE PREMIUMS IN SPECIFIED CIRCUMSTANCES;
25 AND REQUIRING THE DEPARTMENT OF REVENUE TO COLLECT
26 AND TRANSFER THE PREMIUMS TO PAY FOR HEALTH CARE
27 SERVICES PROVIDED THROUGH THE COOPERATIVE?"

1 **SECTION 3.** The votes cast for the adoption or rejection of said
2 amendment shall be canvassed and the result determined in the manner
3 provided by law for the canvassing of votes for representatives in
4 Congress, and if a majority of the electors voting on the question shall
5 have voted "Yes", the said amendment shall become a part of the state
6 constitution.