

**DRAFT MODEL HEALTH CARE LEGISLATION 6/3/25**

**Be it enacted by the People of the State of Colorado:**

**Section 1. Declaration.** the People of the State of Colorado find that:

- (1) Health care is too complicated; too costly; has profound racial, ethnic, income, and geographic inequities; and does not cover the health care needs of all Coloradans;
- (2) the people of Colorado want to pay less with premium fees than they are paying now through health insurance premiums and out-of-pocket expenses, while covering everyone with high quality care and without unnecessary financial and administrative barriers;
- (3) Colorado families seek the peace of mind from knowing that they can afford needed health care;
- (4) businesses need relief from the unpredictable and unsustainable financial and administrative burdens of providing health insurance for their employees;
- (5) providers in Colorado need simple and fair reimbursements that allow them to focus on quality health care rather than insurance policy regulations and administrative requirements;
- (6) all residents, regardless of where they live, need access to health care.

**Section 2. Definitions.**

- (1) "Affordable Care Act" means the federal Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111–148, 124 Stat. 119 (2010), codified as amended 42 U.S.C. § 18001, and as amended by the federal "Health Care and Education Reconciliation Act of 2010," Pub.L. 111-152, and as may be further amended, including any federal regulations adopted under the act.
- (2) "basic dental care" exams, radiology, treatment, and orthodontics
- (3) "basic hearing care" exams, hearing aids
- (4) "basic vision care" exams, corrective lenses, and frames
- (5) "beneficiary" means an individual whose primary residence is in Colorado, without regard to immigration status or who works and pays a premium fee in Colorado but lives in another state,

1 those temporary workers employed in Colorado who are paying premium fees during the time  
2 they are present in Colorado as well as agricultural workers with H-2A visas, during such time as  
3 they are employed and pay premium fees in Colorado, and shall also include in-state students and  
4 their dependents attending a college, university or other institution of higher education in the  
5 state for whom the institution is paying for coverage under Colorado Cares in an amount to be set  
6 by the Governing Board.

7 (6) "board" means the appointed board of trustees established in Section 4, Governing Board.

8 (7) "children's basic health insurance program" means the health benefit plan established in  
9 article 8 of title 25.5, Colorado Revised Statutes and 42 USC § 1397aa.

10 (8) "Colorado health benefit exchange" means the Colorado Health Benefit Exchange created in  
11 Article 22 of Title 10, Colorado Revised Statutes, or its successor entity

12 (9) "effective date" means the effective date of this article as specified in Section 13 of this  
13 article

14 (10) "employee" means an individual who works or resides in Colorado and who receives wages,  
15 salaries, tips, or any other Income which must be reported on internal revenue service form W-2

16 (11) "employer" means an individual, a governmental entity, and any organization in Title 7,  
17 Colorado Revised Statutes, that pays compensation to one or more individuals for work  
18 performed; And is required by Colorado law to withhold a portion of the compensation for the  
19 payment of Colorado income taxes, or to report those earnings to the Colorado Department of  
20 Revenue

21 (12) "long term care" means the full continuum of long-term care and supportive services  
22 including nursing facilities, hospice, and home and community-based services

23 (13) "Medicaid eligible" means individuals that the federal government indicates in the Medicaid  
24 regulations or Medicaid waiver regulations would be eligible for Medicaid if Colorado Cares  
25 were not providing for their health care

1 (14) "Medicaid program" means the medical assistance program authorized in Title XIX of the  
2 federal "Social Security Act," 42 U.S.C. sections 1305 et seq., as amended, and under the  
3 "Colorado Medical Assistance Act," Articles 4, 5, and 6 of Title 25.5, Colorado Revised Statutes,  
4 or any successor statutes

5 (15) "Medicare" means Title 18 of the Social Security Act

6 (16) "non-payroll income" such as self-employed and unearned income means the amount  
7 obtained by subtracting payroll from the Colorado taxable income as recorded on on line 9 of the  
8 Colorado individual income tax return Form DR 104.

9 (17) "Non-payroll tax" means the tax on taxable income (such as interest, dividends, and  
10 capital gains) not subject to the payroll tax.

11 (18) "payroll income" means wages, tips, salaries, and all other income that must be reported on  
12 Internal Revenue Service Form W2.

13 (19) "premium fees" means the fees specified in section 8(2) of this article

14 (20) "provider" means a health care professional registered, certified or licensed by the state of  
15 Colorado and includes individuals, hospitals, and other health care facilities licensed or certified  
16 by the state. "Provider" includes an individual or entity that provides medical services,  
17 interventions, pharmaceuticals, or equipment used to treat beneficiaries

18 (21) "resident" means a person residing in Colorado with the intention to remain in Colorado and  
19 as further defined and modified by the Governing Board.

20 (22) "risk bearing entity" means an intermediary organization that is at financial risk for services  
21 provided through contractual assumption of the obligation for the delivery of specified health  
22 care services to covered persons of the health maintenance organization

23 (23) "transition investment fees" means the fees specified in Section 8 (1) of this article  
24  
25

1     **Section 3. Colorado Cares – Establishment.**

2     There is hereby established an enterprise within the Colorado Department of Health Care Policy  
3     and Financing (hereafter DHCPF) or the Division of Insurance called Colorado Cares. The  
4     enterprise board is appointed by the governor and legislative leaders.

5     **Section 4. Governing board - duties and responsibilities.**

6     (1) Within 60 days after the effective date of this article, the President of the Colorado Senate,  
7     the minority leader of the Colorado Senate, the speaker of the Colorado House of  
8     Representatives, the minority leader of the Colorado House of Representatives, shall each  
9     appoint two trustees to the board. The Governor of the State of Colorado shall appoint three of  
10    the trustees. In making the appointments to the board, the appointing authorities shall make  
11    good-faith efforts to ensure that:

12                 (A) trustees appointed will represent the interests of all Coloradans;

13                 (B) their appointments reflect the social, demographic, and geographic diversity  
14                 of the state;

15                 (C) their appointees are committed to successfully implementing this article

16    (2) Trustees shall serve four-year terms of office, except that, initially, the Governor and each of  
17    the appointing legislators shall designate one trustee each for a two-year term. Trustees who  
18    serve initial two-year terms are eligible to serve two consecutive four-year terms after completing  
19    their initial terms. Trustees appointed to serve an initial term of four years may not serve more  
20    than two consecutive terms.

21    (3) A trustee may be removed for cause by a two-thirds vote of the other trustees. Trustee  
22    candidates must be beneficiaries of Colorado Cares. If a vacancy occurs on the board, during or  
23    at the end of a term, the appointing authority for that vacated position shall appoint a new trustee  
24    to fill the vacancy within 30 days after the vacancy occurs.

1 (4) No later than 90 days prior to the date Colorado Cares is to assume responsibility for health  
2 care payments, the board shall provide written certification to the governor and the Colorado  
3 Department of Revenue of the date Colorado Cares intends to assume this responsibility.

4 (5) The Board shall:

5 (A) choose a chairperson by majority vote;

6 (B) promulgate bylaws, procedures, rules, and policies;

7 (C) hire an executive team, comprised of the Chief Executive Officer, Chief  
8 Technology Officer, Chief Financial Officer, and Chief Operations Officer, to  
9 administer the operations of Colorado Cares;

10 (D) establish a beneficiary and provider advisory boards modeled after successful  
11 Medicaid advisory boards;

12 (E) approve the operating budget presented by the executive team.

13 (F) set premium rates for beneficiaries who qualify for inclusion in Colorado Cares,  
14 such as students, residents and others who are not subject to payroll fee premiums.

15 (6) The executive team under the direction of the board shall:

16 (A) include a Chief Executive Officer, a Chief Financial Officer, A Chief of  
17 Technology and a Chief Operations Officer;

18 (B) develop plans for addressing the special health care needs of vulnerable,  
19 marginalized, and underserved communities of color, those suffering from  
20 disabilities, and rural communities, with the comprehensive care that they need;

21 (C) develop an operating budget;

22 (D) hire employees and consultants;

23 (E) establish advisory committees as needed to receive information about the  
24 community's needs, specialty information regarding the operation of Colorado  
25 Cares, and feedback regarding Colorado Cares policies and operations as well as

1 provide a channel for Colorado Cares to disseminate information about policies,  
2 procedures, responsiveness to problems, and future plans;

3 (F) promulgate rules to ensure transparency in its operations and decision making,  
4 which rules must be at least as strict as the requirements in the "Colorado Open  
5 Records Act," Part 2 of Article 72 of Title 24, Colorado Revised Statutes, or its  
6 successor act;

7 (G) seek a waiver to allow the state to suspend operation of the Colorado Health  
8 Benefit Exchange and transfer its resources to Colorado Cares no later than the date  
9 on which Colorado Cares assumes responsibility for health care payments;

10 (H) establish and maintain a cash reserve as required by the Division of Insurance.  
11 The transition investment payments will establish the initial reserve; engage or  
12 establish a central purchasing authority responsible for negotiating favorable prices  
13 for prescription drugs, medical equipment, and other products and services required  
14 by Colorado Cares;

15 (I) provide funds to the commissioner of insurance for the operation of separate  
16 ombudsman offices for beneficiaries and providers. Funding shall be sufficient to  
17 allow the timely completion of all investigations. Each office shall have the  
18 capacity to investigate and respond to inquiries and complaints and make  
19 recommendations to the board;

20 (J) establish and fund an office for the investigation and prevention of fraud in  
21 coordination with the department of law. The office shall have the power to bring  
22 civil actions in the name of Colorado Cares to recover any monies or the value of  
23 any benefits obtained by fraud or mistake and may refer fraudulent conduct to the  
24 appropriate authorities for criminal prosecution;

(K) establish procedures for managing surplus funding by maintaining necessary operating reserves, increasing benefits, or issuing refunds to beneficiaries;

(L) establish procedures for ensuring financial sustainability by adjusting payments and benefits;

(M) promulgate rules for independent annual performance and financial audits that shall include measures of the administrative costs incurred by Colorado Cares, providers, and beneficiaries;

(N) approve a publicly available annual budget;

(O) promulgate rules that protect beneficiary confidentiality while allowing for publicly available research of Colorado Cares databases;

(P) use the most advanced technology appropriate to assure efficient and secure medical records, billing, and payment systems for providers and beneficiaries;

(Q) allow Colorado Cares to maintain a central database of claims data records for management and research purposes;

(R) ensure the confidentiality of beneficiaries' medical records in compliance with all federal and state health care laws, regulations, and rules concerning the confidentiality of beneficiary's medical records;

(S) establish policies and procedures to pay benefits for health care services rendered to a beneficiary who is temporarily living, traveling or retiring in another state, for a period of six months or less, to the same extent and amount as would be paid for such services as if rendered in Colorado; and develop procedures for insuring portability of Colorado Cares benefits to those residents, students, or others who have paid or are paying sufficient premiums (to be set by the Board) to qualify for coverage.

1 (T) establish an appeals procedure that allows beneficiaries and providers to  
2 challenge coverage and payment decisions in a timely manner. Final action on an  
3 appeal shall be subject to judicial review according to Colorado law and the  
4 Colorado Rules of Civil and Appellate Procedure for the review of final agency  
5 actions;

6 (U) manage administrative costs for Colorado Cares, providers, and beneficiaries in  
7 a manner that decreases the administrative costs and burden on all parties in order  
8 to decrease the portion of health care dollars that are spent on administration and  
9 increase the portion of time and attention that providers deliver health care.

10 (V) provide procedures and criteria for establishing global budgeting of health care  
11 facilities to reduce costs throughout the state and expand services to rural areas.

12 (W) establish services to help displaced private health insurance workers and billing  
13 service workers find new roles, either within the public health system or in other  
14 sectors and provide financial assistance, such as tuition, to those undergoing  
15 retraining.

16 (X) Subject to a financial analysis demonstrating ongoing sufficient funds, long-  
17 term care and support services shall be a covered benefit at the time of  
18 implementation of Colorado Cares. Long-term care and supportive coverage shall  
19 include a uniform initial assessment and coordination between all medical services  
20 in the continuum of long term care. This includes, but is not limited to, home based  
21 care (skilled and non-skilled), residential services, and other treatment alternatives.  
22 Copayment for long-term nursing home care may be established to cover some  
23 costs of room and board for residents with incomes above three hundred percent of  
24 the SSI limit and may include limitations on the types and extent of services  
25 covered that go beyond basic long-term care support services. Copayments may be



determined using the Post Eligibility Treatment of Income (PETI) procedures used by Medicaid.

(7) The board may:

(A) authorize reasonable compensation and expense reimbursement for the trustees;

(B) accept gifts, grants, and donations on behalf of Colorado Cares.

**Section 5. Health care benefits paid by Colorado Cares.**

(1) Colorado Cares shall meet and exceed the affordable care act standards for basic benefits, and model its initial operations and benefits on the successful traditional Medicare system, while also adding benefits from the more comprehensive Medicaid system, including specified necessary health care services not currently provided by Medicare or Medicaid, and other improvements that address weaknesses in the Medicare and Medicaid benefit and reimbursement structure and additional services.

(2) Colorado Cares shall contract with providers to pay for the full range of health care services to beneficiaries that must include:

(A) practitioner services including primary and specialty care;

(B) inpatient and outpatient services including ambulatory clinical care;

(C) prescription drugs and durable medical equipment and supplies;

(D) mental health and substance use disorder services, including behavioral health treatment;

(E) emergency and urgent care;

(F) preventive and wellness services and chronic disease management;

(G) rehabilitative and habilitative services and devices;

(H) pediatric services, including all services required by the Medicaid Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program, as well as oral, vision, and hearing care;

1 (I) basic dental, orthodontic, vision, and hearing care;  
2 (J) laboratory and radiology services;  
3 (K) maternity and newborn care;  
4 (L) reproductive health care, to the fullest extent permitted by law, including  
5 abortion;  
6 (M) hospice, palliative, and end-of-life care;  
7 (N) long term care, including home and community-based services;  
8 (O) gender affirming care and services;  
9 (P) the board may authorize payment for benefits and services not otherwise  
10 specified above.

11 (3) Colorado Cares shall pay providers for health care services to beneficiaries regardless of the  
12 cause of their injuries or illnesses. However, Colorado Cares retains the right to recover medical  
13 expenses from individuals and businesses that are legally liable for causing the illness or injury.

14 (4) Colorado Cares shall assume responsibility for payment of all reasonable and necessary  
15 medical expenses incurred by workers who suffer injuries or illnesses arising out of and in the  
16 course of their employment on and after the date Colorado Cares assumes responsibility for health  
17 care payments. Colorado Cares's responsibility extends only to employees whose employers are  
18 required by the "Workers' Compensation Act of Colorado," Articles 40 to 47 of Title 8, Colorado  
19 Revised Statutes, to provide Workers' Compensation insurance for their employees. Workers  
20 suffering from injuries or illnesses arising out of and in the course of their employment are  
21 entitled to the same benefits and have the same rights and responsibilities as other beneficiaries.  
22 Colorado Cares shall receive any reserve funds associated with the Workers' Compensation  
23 system.

1 (5) for individuals eligible for the Medicaid program, the Children's Basic Health Plan, and any  
2 other federal health care programs to be administered by Colorado Cares, the benefit package and  
3 procedures under Colorado Cares must include:

4 (A) the benefits required by federal law;

5 (B) any optional Medicaid program benefits adopted by Colorado as authorized  
6 under 42 U.S.C. Sec. 1396d or the "Colorado Medical Assistance Act," Articles 4 to  
7 6 of Title 25.5, Colorado Revised Statutes, or services covered under the state plan  
8 for the Children's Basic Health Plan as provided in 42 U.S.C. Sec. 1397cc, for which  
9 these individuals are eligible;

10 (C) any services provided by Colorado under a waiver such as home and community-  
11 based services

12 (D) the public input requirements of Medicaid and any additional benefits provided  
13 in Colorado Cares's benefit package.

14 (6) an individual who loses eligibility for state or federal benefits under the Medicaid program or  
15 the Children's Basic Health Plan shall receive the same benefits as any other beneficiary of  
16 Colorado Cares.

17 (7) Colorado Cares shall not charge beneficiaries any deductibles

18 (8) Colorado Cares will not routinely require copayments; however, it may require affordable  
19 copayments in some situations, such as (but not limited to):

20 (A) cost sharing copays to encourage beneficiaries to participate fully in their own  
21 wellness

22 (B) cost sharing for premium-level services such as exclusive and personalized  
23 offerings that are not medically necessary.

24 (9) in compliance with the Affordable Care Act, the first two primary care visits per year shall  
25 always have no copayments for any beneficiaries

1 (10) copayments shall be waived if:

2 (A) a beneficiary is Medicaid eligible and, as such exempt, from copayments except  
3 as required by federal law;

4 (B) the copayment creates a financial barrier that decreases the willingness of a  
5 beneficiary to seek necessary treatment;

6 (11) a provider shall not require a beneficiary to make a payment in addition to what is allowed by  
7 Colorado Cares or submit to any other cost-sharing arrangement without Colorado Cares's  
8 approval.

9 (12) Colorado Cares shall:

10 (A) allow beneficiaries to choose their own providers;

11 (B) establish regulations regarding the circumstances and specialties that require or  
12 do not require a referral from a primary care provider;

13 (C) set compensation as a percentage of 150% or more of the Medicare rate for  
14 services performed by licensed and/or certified health care providers or at such other  
15 levels that result in income that will attract and retain necessary health care  
16 providers; (D) promote primary care and preventative care as well as coordinated  
17 specialty care to the extent that they can be demonstrated to improve costs,  
18 outcomes, and beneficiary satisfaction.

19 (13) Colorado Cares may:

20 (A) provide funding, financial incentives, subsidies and/or other forms of support  
21 that is needed to provide adequate, fair, and reasonable access to health care services  
22 for all beneficiaries regardless of where they live in Colorado;

23 (B) provide funding and other support for statewide access to emergency and trauma  
24 care services.

25 **Section 6. Business Practices.**

1 (1) Colorado Cares shall begin operation by assuming payment for health care services in a  
2 manner designed to minimize disruptions to current delivery and payment systems.

3 (2) In the initial operation, Colorado Cares shall base its payments on Medicare and/or Medicaid's  
4 payment policies and structures with modifications that are necessary to make improvements or to  
5 adapt to Colorado Cares's requirements.

6 (3) Colorado Cares shall contract with an experienced claims processing system or may make  
7 other arrangements for claims processing.

8 (4) Colorado Cares may implement payment reforms to the extent that they improve outcomes or  
9 maintain or improve beneficiary satisfaction.

10 (5) Colorado Cares shall use payment models that optimize quality, value, and healthy outcomes  
11 for beneficiaries and minimize administrative burdens.

12 (6) Colorado Cares shall evaluate payment models on an annual basis to determine if the reforms  
13 and policies are effective in containing costs, promoting quality treatment services, and beneficiary  
14 satisfactions. This evaluation will consider the administrative burden on Colorado Cares,  
15 providers, and beneficiaries. If the payment models do not show ongoing evidence that the  
16 benefits are sufficient to justify the administrative burden or other unintended consequences, they  
17 shall be modified or discontinued.

18 (7) To maintain efficiency, equity, and effectiveness, Colorado Cares shall be the single payer  
19 directly to providers, with no intermediary risk bearing entities, such as private for-profit  
20 Medicare Advantage, health maintenance organizations, accountable care organizations or private  
21 equity firms.

## 22 **Section 7. Efficient Transition to Colorado Cares**

23 (1) The Board of Trustees will assure an efficient transition to Colorado Cares by following  
24 industry best practices, including, but not limited to:

1 (A) The transition investment fees, established in Section 8 will be used to prepare  
2 for the transition to guaranteed payment for health care for each Colorado resident.

3 (B) The board of trustees shall contract for an independent verification and  
4 validation analysis of services throughout the life of the implementation project.

5 (C) The governing board shall assure that the project management of the  
6 implementation meets or exceeds the standards of the Project Management Institute.

7 (D) To transition to Colorado Cares, the governing board shall determine that a risk  
8 analysis of possible problems with implementation and determine responses to risks  
9 before determining that Colorado Cares is ready to take responsibility for health care  
10 payments.

11 (2) The board of trustees may transition the funding of health care payments for all Coloradans by  
12 first assuming responsibility for the beneficiaries whose medical care is currently paid through  
13 DHCPF.

14 (3) The Colorado Department of Health Care Policy and Financing, the Colorado Health Benefit  
15 Exchange, and any other necessary state department or agency shall assist the Board of Trustees in  
16 seeking all waivers, exemptions, and agreements from the state and federal governments that are  
17 necessary to transfer health care funding from the federal government and from any state  
18 departments and agencies to Colorado Cares.

19 (4) To the extent allowable under federal law, Colorado Cares and all involved state departments  
20 and agencies shall arrange for federal funds to be delivered directly to Colorado Cares. If these  
21 funds must be delivered to the state government and cannot be delivered directly to Colorado  
22 Cares, the state shall transfer them to Colorado Cares within ten days after it receives them.

23 (5) No later than the date Colorado Cares is to assume responsibility for health care payments for  
24 all Coloradans, the state shall transfer to Colorado Cares all state and federal funds for the  
25 Medicaid, Children's Basic Health Plan, and any other program administered by HCPF to be

administered by Colorado Cares. The state may retain any funds necessary to meet payment obligations which exist as of the date of transfer. Upon receipt of this funding, Colorado Cares shall be responsible for paying for all benefits and services previously paid by the state and federal government with those funds.

(6) Colorado Cares shall assume responsibility for the proper administration and distribution of state and federal funds pursuant to state and federal law.

(7) The board may apply for Colorado Cares to become a Medicare Advantage Program, a Medicare supplemental program, or any successor program.

(8) The board is authorized to apply for funds and enroll in any program that does not alter the purpose of Colorado Cares as set forth in Section 3 of this article.

(9) Colorado Cares will be the Single State Agency for the State's medical assistance program as described in 42 CFR 430 et seq.

**Section 8. Funding of Colorado Cares - collection of premiums.** [Rates subject to analysis, see italics]

(1) On and after July 1 of the year following the effective date of this article, and until thirty days before Colorado Cares assumes responsibility for health care payments, the Colorado Department of Revenue shall collect a transition investment fee in order to establish an operating reserve and finance development and transition expenses as follows:

(A) 0.6% of total payroll from each employer;

(B) 0.3% of all payroll income from each employee;

(C) 0.9% of all non-payroll income from all beneficiaries;

(D) from July 1 until December 31 of the first year in which the transition

investment premiums in this section are levied, they shall be levied on 50% of the beneficiary's total non-payroll income for that year.

1 (2) Thirty days before Colorado Cares is to assume responsibility for health care payments, the  
2 Colorado Department of Revenue shall cease collecting transition investment premiums and shall  
3 begin collecting a premium of:

4 (A) 6.67% of total payroll from all employers;

5 (B) 3.33% of all payroll income from each employee; and

6 (C) 10% of all non-payroll adjusted gross income from all beneficiaries except those  
7 retiring on a combination of Social Security and nonpayroll income as to which a  
8 lower percentage shall be set by the Governing Board after investigation of the  
9 financial impact on retirees and Colorado Cares .

10 (D) Beneficiaries with an annual taxable income of 200% or less of the Federal  
11 Poverty Level or 300% per couple shall be eligible for a premium fee refund of any  
12 payroll taxes collected from them.

13 (3) If the premium fee levied in this section is first levied on a date other than January 1, it shall  
14 be levied on the beneficiary's total non-payroll income multiplied by the percentage of the  
15 calendar year in which the fee is first levied.

16 (4) The board may seek to have the question placed on the general election or special election  
17 ballot to request estate, excise, tourism, or other fees to fund Colorado Cares should that become  
18 necessary.

19 (5) Residency or other qualifying status as a beneficiary is the necessary and sufficient condition  
20 for receiving Colorado Cares benefits. Payment of the premium fee does not enroll a person in  
21 Colorado Cares and does not constitute the purchase of a health insurance policy by an employer  
22 or taxpayer.

23 (6) The fees levied pursuant to this section shall be levied against the income of nonresident  
24 individuals in the manner specified in Section 39-22-109, Colorado Revised Statutes, or any



1 successor statute, and against the income of part-year residents in the manner specified in section  
2 39-22-110, Colorado Revised Statutes, or any successor statute.

3 (7) An employer may pay all or part of an employee's share of the fees levied pursuant to this  
4 section if such payment is included in a union or other employment contract.

5 (8) Beneficiaries of federal health care programs that continue after Colorado Cares assumes  
6 responsibility for paying Coloradan's health care expenses shall have a premium tax credit for the  
7 value of their health care policy. Colorado Cares shall establish rules for determining each  
8 beneficiary's tax credit based on the cost to Colorado Cares per capita for providing the benefits  
9 in the policy and certify a tax credit upon request. The premium tax credits shall reduce any  
10 premium fee owed by a beneficiary but shall not create a refund.

11 (9) The total amount of payroll earnings by employees and of non-payroll income subject to the  
12 premium fees levied pursuant to this Section shall not apply to those individuals earning less than  
13 200% of the Federal Poverty level or 300% for couples, nor shall income or earnings exceeding  
14 \$350,000 (*three hundred fifty thousand Dollars*) or more for those filing individual income tax  
15 returns and \$450,000 (*Four hundred fifty thousand dollars*) or more for couples filing jointly be  
16 subject to premium fees above those levels. The department of revenue shall annually adjust these  
17 limits for inflation using the consumer price index published by the Bureau of Labor statistics of  
18 the United States Department of Labor for the Boulder- Greeley-Denver metropolitan statistical  
19 area. Adjustments shall be effective on January 1 of each year.

20 (10) The board shall conduct an annual assessment of revenues and costs and prepare a public  
21 report regarding the financial status of Colorado Cares and options considered for economies,  
22 benefits, refunds, building necessary reserves, and premium adjustments.

23 (11) the board shall maintain a reserve as required by the Division of Insurance. If the reserve falls  
24 below this level, the board shall either implement efficiencies that restore the reserve or notify  
25 beneficiaries of a premium increase election.

1 (12) If the board determines that a premium increase is necessary to maintain the fiscal stability of  
2 Colorado Cares, the board may increase premiums to the extent necessary to maintain the existing  
3 level of benefits provided herein to the extent that such increase is allowed by law.

4  
5 **Section 9. Colorado Cares as Last Resort Payor – subrogation rights.**

6 (1) Colorado Cares serves as a payor of last resort to any health insurance plan in which a  
7 beneficiary is enrolled, or which is responsible for a beneficiary's health care expenses. The total  
8 of Colorado Cares's payment and all other payments from another health care insurance plan shall  
9 not exceed the amount that Colorado Cares would pay if it were the only payor.

10 (2) Colorado Cares may serve as a state health plan that pays for designated supplemental health  
11 care services for Medicare beneficiaries.

12 (3) Colorado Cares has full rights of subrogation, ahead of the rights of a workers' compensation  
13 or other insurer or health care plan, including the right to bring an independent lawsuit or to  
14 intervene in a lawsuit filed by a beneficiary, in order to recover health care costs from collateral  
15 sources for which the beneficiary has a right of action for compensation against the person or  
16 entity that caused his or her illness or injury. Colorado Cares may assert a lien against any  
17 proceeds recovered by the beneficiary.

18 (4) Colorado Cares may recover health care payments from any other collateral source, such as a  
19 health insurance plan, health benefit plan, or other payor that is primary to Colorado Cares

20 **Section 10. Implementing Changes**

21 (1) The Colorado Department of Revenue shall collect and transfer to Colorado Cares the  
22 premium fee payments levied pursuant to Section 8 of this article on and after July 1 of the year  
23 following the effective date of this article, and ensure that funds are transferred to Colorado Cares  
24 within ten days of collection;

1 (2) The Colorado Health Benefit Exchange shall transfer its resources to Colorado Cares pursuant  
2 to Section 7 of this article and in connection therewith Article 22 of title 10, Colorado Revised  
3 Statutes is hereby repealed;

4 (3) Responsibility for administering the Medicaid program and the Children's Basic Health  
5 Insurance Plan and other programs administered by DHCPF is transferred to Colorado Cares;

6 (4) Responsibility for administering all moneys available, accrued or accruing, received or  
7 receivable, in the health and medical care fund established by Colo. Const. art. XXIV§7(C) is  
8 transferred to Colorado Cares;

9 (4) Responsibility for administering the Public Employees' Retirement Association's health  
10 insurance program and health insurance fund assets and any other state and federal health care or  
11 insurance programs is transferred to Colorado Cares;

12 (5) Colorado Cares shall receive the appropriate federal fund contribution in lieu of the federal  
13 premium tax credits, cost-sharing subsidies, and small business tax credits provided in the  
14 Affordable Care Act;

15 (6) Those provisions of the "Workers' Compensation Act of Colorado," Articles 40 to 47 of Title  
16 8, Colorado Revised Statutes, and any other provisions of law that concern the provision of  
17 medical care for workers who suffer injuries or illnesses arising out of and in the course of their  
18 employment and for the payment of premiums for medical benefits, whether by employers or  
19 insurers covered under the Workers' Compensation Act, or that otherwise conflict with this article  
20 are hereby repealed;

21 (7) Colorado Cares shall ensure that the state's expenditures for health care services, including the  
22 state's responsibility for providing matching funds for Medicaid and other federally supported  
23 health care programs, do not fall below the expenditure levels for health care services in the year  
24 preceding the effective date of this article. The base year expenditure levels shall be adjusted  
25 annually for changes in the consumer price index for the Denver-Boulder-Greeley Metropolitan  
26 Statistical Area and in the state's population; and necessary to implement this article.

27 (8) The legislation specified above shall include the transfer of all state and federal funds for these  
28 programs to Colorado Cares.

1 (9) Sufficient funds to ensure a smooth and efficient transfer of the programs specified in this  
2 section and to enable the agencies specified in section 8 of this Article to assist Colorado Cares in  
3 the manner specified by that Section shall be appropriated.  
4  
5  
6

7 **Section 11. Subject to Colorado sunshine laws.**

8 The meetings of the governing board are subject to article 6 of Title 24, Colorado Revised  
9 Statutes, the "Colorado Sunshine Act of 1972," or its successor act.

10 **Section 12. Effective date.**

11 This article shall take full force and effect upon the Governor's proclamation pursuant to Section  
12 1, Article V of the Colorado Constitution.

13 **Section 13. Severability.**

14 If the courts of this state or of the United States declare any Section, provision, paragraph, clause,  
15 or part of this article unconstitutional or invalid, the decision of the court affects only the section,  
16 provision, paragraph, clause, or part declared Unconstitutional or invalid and does not affect any  
17 other part of this article.

18 **Section 14. Termination of Colorado Cares's operations.**

19 (1) Prior to initial operation, if the board determines that Colorado Cares has not received the  
20 waivers, exemptions, and agreements from the federal government sufficient for its fiscally sound  
21 operation or that the risk analysis indicates that the operation of Colorado Cares is unwise, the  
22 board shall at the next regular election, propose a modification that establishes sufficient funds  
23 and addresses possible risks so that Colorado Cares is able to operate in a fiscally sound manner.  
24 If the modification fails, the board shall implement the shutdown process.  
25