

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 19-0421.01 Christy Chase x2008

SENATE BILL 19-004

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Senate Committees

Health & Human Services
Appropriations

House Committees

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A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ADDRESS THE HIGH COSTS OF HEALTH**
102 **INSURANCE IN THE STATE, AND, IN CONNECTION THEREWITH, ==**
103 **== MODIFYING THE HEALTH CARE COVERAGE COOPERATIVES**
104 **LAWS TO INCLUDE CONSUMER PROTECTIONS AND ALLOW**
105 **CONSUMERS TO COLLECTIVELY NEGOTIATE RATES DIRECTLY**
106 **WITH PROVIDERS.**

Bill Summary

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

Sections 1 and 2 of the bill authorize the state personnel director

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

HOUSE
3rd Reading Unamended
April 17, 2019

HOUSE
Amended 2nd Reading
April 16, 2019

SENATE
3rd Reading Unamended
April 3, 2019

SENATE
Amended 2nd Reading
April 2, 2019

to explore the feasibility of offering and, if feasible, to develop and implement a one-year pilot program in a limited geographic region of the state affected by high health insurance premiums to provide access to individuals in that region to participate in the group medical benefit plans offered to state employees. The pilot program would be available:

- ! In the portions of Eagle and Garfield counties that are within the service area of the state group benefit plans;
- ! To a limited number of individuals whose household income is more than 400 % but not more than 500 % of the federal poverty line; and
- ! In the 2019-20 benefit plan year.

Section 2 outlines the factors for the state personnel director to consider in determining the feasibility of the pilot program.

Sections 3 through 15 modernize laws authorizing health care cooperatives in the state to incorporate consumer protections such as coverage for preexisting conditions and to encourage consumers to help control health care costs by negotiating rates on a collective basis directly with providers.

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

2

3 **SECTION 1. Legislative declaration.** (1) The general assembly
4 hereby finds and declares that:

5 (a) Currently, premiums for health insurance across the nine
6 health insurance geographic rating regions in Colorado, as well as the
7 number of insurance carriers available and the number and variety of
8 plans offered in the different regions, vary significantly;

9 (b) Premiums in rural areas, especially in the eastern plains and
10 the western slope areas of the state, are considerably higher than
11 premiums in metropolitan areas, and the number of carriers and the
12 diversity of plans they offer are very limited in those areas. In fact, only
13 one carrier is currently offering plans on the health benefit exchange in
14 some rural areas of the state.

15 (c) Many Coloradans in rural areas are cost-burdened in that they

1 spend more than twenty percent of their household income on premiums
2 for health insurance but earn too much to qualify for subsidies available
3 under federal law;

4 (d) Because of the financial burden high-cost health insurance
5 places on individuals in rural areas of the state, a considerable number of
6 these cost-burdened individuals may not purchase health insurance in
7 2019, exacerbating the problems of few carriers, few plan options, and
8 high costs of health insurance in rural regions of the state as well as
9 increasing the number of uninsured individuals in those areas; and

10 (e) It is therefore important to modernize the laws authorizing
11 health care cooperatives to enable consumers to help control health care
12 costs by negotiating rates on a collective basis directly with providers.

13 **SECTION 2.** In Colorado Revised Statutes, 10-16-1001, **amend**
14 (2)(a), (3)(a), (3)(e), (3)(f), (4)(a), and (4)(e); and **add** (3)(g) as follows:

15 **10-16-1001. Legislative declaration.** (2) The general assembly
16 hereby finds that:

17 (a) Under the current health care system in this state, individuals
18 risk losing their health care coverage when they move, when they lose or
19 change jobs when they become seriously ill, or when coverage becomes
20 unaffordable;

21 (3) The general assembly hereby determines that:

22 (a) Comprehensive health care benefits that meet the full range of
23 health needs, ~~including primary, preventive, and specialized care,~~ AS
24 MANDATED BY COLORADO AND FEDERAL LAW, should be readily available
25 to citizens of this state;

26 (e) All individuals should have a responsibility to pay their fair
27 share of the costs of health care coverage; ~~and~~

1 (f) Colorado's health care system should build on the strength of
2 the employment-based coverage arrangements that now exist in this state;
3 AND

4 (g) IN ORDER TO HELP CONTROL HEALTH CARE COSTS, CONSUMERS
5 SHOULD BE EMPOWERED TO ORGANIZE TO DIRECTLY NEGOTIATE HEALTH
6 CARE PRICES WITH PROVIDERS.

7 (4) The general assembly, therefore, declares that the purposes of
8 this part 10 are to:

9 (a) Promote control of the cost of health care for employers,
10 employees, and ~~others~~ INDIVIDUALS who pay for health care coverage by
11 pooling purchasing power among consumers and organizing providers so
12 that health care services are delivered in the most efficient manner;

13 (e) Encourage all individuals to take responsibility for their health
14 care coverage by ~~building on existing employment-based arrangements~~
15 ~~for health care benefits~~ POOLING CONSUMER PURCHASING POWER
16 THROUGH THE ORGANIZATION OF HEALTH CARE MARKETS IN A MORE
17 EFFICIENT AND EFFECTIVE MANNER.

18 **SECTION 3.** In Colorado Revised Statutes, 10-16-1002, **amend**
19 (5) and (6)(b); **repeal** (1) and (11); and **add** (6.5) as follows:

20 **10-16-1002. Definitions.** As used in this part 10, unless the
21 context otherwise requires:

22 (1) ~~"Class of business" means all or a distinct grouping of small~~
23 ~~employers as shown on the records of a small carrier. Each class shall~~
24 ~~reflect substantial differences in administrative costs related to the use of~~
25 ~~health care cooperatives for the marketing and sale of health benefit plans~~
26 ~~to small employers.~~

27 (5) ~~"Managed care" means systems or techniques generally used~~

1 by third-party payors or their agents to affect access to, and to control,
2 payment for health care services. For example, and not for the purpose of
3 limitation, managed care techniques most often include one or more of
4 the following: Prior, concurrent, and retrospective review of the medical
5 necessity and appropriateness of services or of the site at which services
6 are provided; contracts with selected health care providers; financial
7 incentives or disincentives related to the use of specific providers,
8 services, or service sites; controlled access to and coordination of services
9 by a case manager; and payor efforts to identify treatment alternatives and
10 modify benefit restrictions for high-cost patient care. "Managed care" also
11 includes but is not limited to health maintenance organizations HAS THE
12 SAME MEANING AS "MANAGED CARE PLAN", AS DEFINED IN SECTION
13 10-16-102 (43).

14 (6) (b) If, pursuant to section 10-16-1009 (3)(l), a cooperative
15 provides coverage to individuals and allows individuals to join the
16 cooperative, "member" may also include an individual and any dependent
17 of such individual who is covered by a plan purchased through a
18 cooperative is eighteen years of age or older, and is not: AND ANY
19 DEPENDENT OF THE INDIVIDUAL, INCLUDING A DEPENDENT CHILD WHO IS
20 UNDER TWENTY-SIX YEARS OF AGE.

21 ~~(I) Eligible for other coverage with benefits substantially similar~~
22 ~~to those included in the basic and standard health benefit plans; and~~

23 ~~(II) A dependent of an individual who is eligible for other~~
24 ~~coverage with benefits substantially similar to those included in the basic~~
25 ~~and standard health benefit plans that cover that individual.~~

26 (6.5) "MEMBER CLASS" MEANS THE CLASS OF MEMBER BASED ON
27 WHETHER THE MEMBER WOULD QUALIFY FOR COVERAGE IN THE

1 INDIVIDUAL MARKET, THE SMALL EMPLOYER FULLY INSURED MARKET,
2 THE LARGE EMPLOYER FULLY INSURED MARKET, OR THE EMPLOYER
3 SELF-INSURED MARKET.

4 (11) ~~"Waivered health care coverage cooperative" means a~~
5 ~~cooperative that has been approved to receive a waiver from the~~
6 ~~commissioner pursuant to section 10-16-1011.~~

7 **SECTION 4.** In Colorado Revised Statutes, 10-16-1003, **amend**
8 (1) as follows:

9 **10-16-1003. Privacy of health information.** (1) The privacy of
10 Individually identifiable health information collected for or by a
11 cooperative shall be protected. ~~Disclosure of such information is~~
12 ~~prohibited except for:~~ IS SUBJECT TO HIPAA.

13 (a) ~~Disclosures by an individual identified in the information or~~
14 ~~whose identity can be associated with the information;~~

15 (b) ~~Disclosures explicitly authorized through written informed~~
16 ~~consent procedures by an individual;~~

17 (c) ~~Disclosures to federal, state, or local law enforcement agencies~~
18 ~~for lawful purposes;~~

19 (d) ~~Subject to rules promulgated by the commissioner, disclosures~~
20 ~~for bona fide research projects.~~

21 **SECTION 5.** In Colorado Revised Statutes, 10-16-1004, **amend**
22 (5) as follows:

23 **10-16-1004. Health care coverage cooperatives - establishment**
24 **- fees.** (5) (a) Except as allowed by section 10-16-1014 OR SUBSECTION
25 (5)(b) OF THIS SECTION, the division of insurance shall not participate in
26 the formation or administration of a health care coverage cooperative
27 created pursuant to this part 10.

1 (b) THE COMMISSIONER MAY PROVIDE TECHNICAL ASSISTANCE IN
2 THE FORMATION OF A COOPERATIVE CREATED PURSUANT TO THIS PART 10
3 SO LONG AS THE COOPERATIVE IS NOT FORMED OR ADMINISTERED BY THE
4 COMMISSIONER AS AN ENTITY OR INSTRUMENTALITY OF THE STATE.

5 **SECTION 6.** In Colorado Revised Statutes, 10-16-1008, **amend**
6 (1) as follows:

7 **10-16-1008. Administrative structure of cooperatives - board**
8 **of directors - officers - employees.** (1) (a) (I) The affairs of the
9 cooperative shall be managed in accordance with the legal structure
10 required of the entity and, EXCEPT AS PROVIDED IN SUBSECTION (1)(a)(II)
11 OF THIS SECTION, governed by persons elected by the members from their
12 own number. The governing body of the cooperative shall adopt bylaws
13 and rules for the cooperative.

14 (II) THE MEMBERS OF THE COOPERATIVE MAY ELECT TO THE
15 GOVERNING BODY UP TO THREE INDIVIDUALS WHO ARE NOT ABLE TO JOIN
16 THE COOPERATIVE AS MEMBERS, BUT AT LEAST EIGHTY PERCENT OF THE
17 GOVERNING BOARD MUST CONSIST OF MEMBERS OF THE COOPERATIVE.

18 (b) Members of a cooperative shall be entitled to equal
19 participation and benefit from the cooperative; except that a cooperative
20 at its option may extend voting rights to eligible employees.

21 (c) The governing body of the cooperative shall meet at such
22 times and places as it determines necessary to operate the cooperative in
23 accordance with this part 10.

24 == ==

25 **SECTION 7.** In Colorado Revised Statutes, 10-16-1009, **amend**
26 (2), (3)(f), (3)(l), and (4)(a); **repeal** (1)(d), (3)(a), (3)(c), (3)(d), and
27 (3)(k); and **add** (1)(o) and (1)(p) as follows:

1 **10-16-1009. Powers, duties, and responsibilities of**

2 **cooperatives.** (1) Each cooperative organized pursuant to this part 10
3 shall:

4 ~~(d) Except for groups over fifty, offer to all members and their~~
5 ~~eligible employees the standard and basic health benefit plans;~~

6 (o) CONSIDER ALL INDIVIDUALS IN ALL INDIVIDUAL HEALTH
7 BENEFIT PLANS OFFERED THROUGH THE COOPERATIVE, INCLUDING THOSE
8 INDIVIDUALS WHO DO NOT ENROLL IN THE PLANS THROUGH THE
9 EXCHANGE, TO BE MEMBERS OF A SINGLE RISK POOL;

10 (p) CONSIDER ALL COVERED PERSONS IN SMALL EMPLOYER HEALTH
11 BENEFIT PLANS OFFERED THROUGH THE COOPERATIVE, INCLUDING THOSE
12 COVERED PERSONS WHO DO NOT ENROLL IN PLANS THROUGH THE
13 EXCHANGE, TO BE MEMBERS OF A SINGLE RISK POOL.

14 (2) ~~Members that are not self-insured may only be offered plans~~
15 ~~or services offered by licensed provider networks, licensed individual~~
16 ~~providers, and other carriers.~~ For purposes of this part 10, "self-insured"
17 means not insured under a plan underwritten by a carrier. ~~or licensed~~
18 ~~provider network.~~ A self-insured employer ~~or individual~~ may join a
19 cooperative in order to have access to the discounted provider rates
20 ~~(excluding capitated agreements)~~ that the cooperative may negotiate on
21 behalf of its self-insured members.

22 (3) Each cooperative organized pursuant to this part 10 may:

23 ~~(a) Determine, from time to time, the need to establish classes of~~
24 ~~membership;~~

25 ~~(c) Offer any and all health benefit packages permitted under law~~
26 ~~in addition to the standard and basic health benefit plans;~~

27 ~~(d) Require, as a condition of membership, that all employers~~

1 ~~include all their employees or a minimum percentage of employees in~~
2 ~~coverage purchased through the cooperative. The cooperative may~~
3 ~~establish minimum percentages that differ according to the benefit plan~~
4 ~~or carrier offered. The cooperative may require an employer making~~
5 ~~membership application to a cooperative that would entail entering fewer~~
6 ~~than one hundred percent of such employer's eligible employees or~~
7 ~~dependents to demonstrate, under standards consistent with paragraph (g)~~
8 ~~of subsection (4) of this section, that such membership is not likely to~~
9 ~~result in an adverse selection group being brought into the cooperative~~
10 ~~and would not otherwise act as a form of risk selection or risk avoidance.~~

11 (f) Reject, or allow a carrier to reject, an employer from
12 membership or drop, or allow a carrier to drop, an employer from
13 membership if the employer or any of its employee members fails to pay
14 premiums or engages in fraud or material misrepresentation in connection
15 with a plan purchased through the cooperative. If an ~~employer or~~
16 ~~employee is dropped from membership DUE TO THE EMPLOYER'S FAILURE~~
17 ~~TO PAY PREMIUMS OR ENGAGEMENT IN FRAUD OR MATERIAL~~
18 ~~MISREPRESENTATION, the employee shall be entitled to continuation and~~
19 ~~conversion coverage as provided under applicable state or federal~~
20 ~~continuation laws and the state conversion law COOPERATIVE MAY OFFER~~
21 ~~A SPECIAL ENROLLMENT PERIOD IN ACCORDANCE WITH SECTION~~
22 ~~10-16-105.7 (3) TO ALLOW THE EMPLOYEE TO ENROLL IN THE INDIVIDUAL~~
23 ~~MEMBER CLASS, IF AVAILABLE.~~

24 (k) ~~Require that members and their eligible employees continue~~
25 ~~to pay administrative fees that are part of the contract with the~~
26 ~~cooperative if a member or eligible employee cancels prior to completion~~
27 ~~of a contract period;~~

1 (l) Offer coverage for individuals who are members; ~~If coverage~~
2 ~~is offered to individuals as members, the cooperative may require that~~
3 ~~individuals include all dependents under such coverage.~~

4 (4) No cooperative organized pursuant to this part 10 may:

5 (a) Exclude from membership in the cooperative any ~~small~~
6 ~~employer or eligible employee or dependent of a small employer~~
7 PROSPECTIVE MEMBERS, OR DEPENDENTS OF PROSPECTIVE MEMBERS, who
8 ~~agrees~~ AGREE to pay fees for membership and any premium for coverage
9 through the cooperative and who ~~abides~~ ABIDE by the bylaws and rules of
10 the cooperative and ~~satisfies~~ SATISFY the requirements of the benefit plan
11 selected;

12 **SECTION 8.** In Colorado Revised Statutes, **repeal** 10-16-1011
13 as follows:

14 **10-16-1011. Requirements for waived health care coverage**
15 **cooperatives - rules.** ~~(1) The commissioner shall promulgate rules~~
16 ~~setting forth the application procedure for cooperatives seeking a waiver~~
17 ~~under this section that:~~

18 (a) ~~Establish fair, effective, and timely procedures for addressing~~
19 ~~consumer, contractor, and health plan grievances. Such rules shall~~
20 ~~include, without limitation, a requirement that health plans provide the~~
21 ~~cooperative written notification of all grievances filed with the health~~
22 ~~plans and at least a quarterly summary of such grievances. This paragraph~~
23 ~~(a) shall not be construed to exempt participating carriers from any~~
24 ~~requirements of this title concerning grievance procedures.~~

25 (b) ~~Require the cooperative to demonstrate that it provides~~
26 ~~coverage in every geographic area in which its participating carriers are~~
27 ~~authorized to do business by the division of insurance;~~

1 ~~(c) Establish that small employers that purchase fully insured~~
2 ~~products through the cooperative are not permitted to offer their~~
3 ~~employees comparable fully insured or self-insured products through any~~
4 ~~means other than the cooperative;~~

5 ~~(d) Ensure that the cooperative will at all times comply with the~~
6 ~~provisions of section 10-16-1009 (4)(g);~~

7 ~~(e) Require the cooperative to offer, at a minimum, the basic and~~
8 ~~standard benefit plans for employers with fifty or fewer employees that~~
9 ~~all participating carriers must offer. Other benefit plans and benefit~~
10 ~~packages may be established and offered by some or all carriers that~~
11 ~~contract with the cooperative, and such plans or packages may include a~~
12 ~~range of cost-sharing levels. Benefit packages may also include some~~
13 ~~variations for differences in delivery systems, such as health maintenance~~
14 ~~organizations, point-of-service plans, preferred provider plans, and~~
15 ~~fee-for-service plans.~~

16 ~~(2) A waiver shall be in effect for a period of not less than ten~~
17 ~~years after the date of issue, unless the commissioner determines that the~~
18 ~~waivered cooperative is in violation of subsection (1) of this section. In~~
19 ~~such a case, the waiver may be phased out over a period of three years by~~
20 ~~the commissioner in a manner that is consistent with the market viability~~
21 ~~of the cooperative.~~

22 ~~(3) The commissioner may grant a permanent waiver effective~~
23 ~~upon expiration of a ten-year period. If at any time the commissioner~~
24 ~~determines that a waivered cooperative operating under a permanent~~
25 ~~waiver is in violation of subsection (1) of this section, the permanent~~
26 ~~waiver may be phased out by the commissioner over a period of three~~
27 ~~years in a manner that is consistent with the market viability of the~~

1 cooperative.

2 (4) The commissioner shall promulgate rules for annual reporting
3 requirements for waived cooperatives. Reporting requirements shall be
4 based only on the requirements for obtaining a waiver as outlined under
5 subsection (1) of this section. Such reporting requirements shall be
6 integrated with other reporting requirements for cooperatives operating
7 under this part 10.

8 (5)(a)(I) Any carrier doing business with a waived cooperative
9 shall comply with all rules regarding underwriting, claims handling, sales,
10 solicitation, and other applicable requirements specified pursuant to this
11 title.

12 (H) Notwithstanding the provisions of subparagraph (I) of this
13 paragraph (a), if a waived cooperative requires its participating small
14 employer carriers to offer a standardized health benefit plan that such
15 carriers do not offer outside of the waived cooperative, such carriers
16 shall not be required to market that standardized plan either inside or
17 outside the waived cooperative in those areas of the state that are not
18 part of the waived cooperative's geographic service area.

19 (b)(I) Any carrier doing business with a waived cooperative
20 shall comply with all applicable rules regarding rating specified pursuant
21 to this title.

22 (H)(A) Notwithstanding subparagraph (I) of this paragraph (b)
23 and subject to the provisions of sub-subparagraph (B) of this
24 subparagraph (H), a waived cooperative and a participating carrier may
25 negotiate a percentage discount off of what would otherwise be allowable
26 rates under sections 10-16-107 (6)(a) and 10-16-1012 for a particular
27 plan. That percentage discount shall be applied uniformly to all small

1 employer members of the cooperative. Pursuant to section 10-16-1012,
2 a carrier may apply rating factors differently for its business with a
3 waived cooperative than for the carrier's other business. Participating
4 carriers shall notify the division of insurance of a negotiated cooperative
5 discount at least thirty days prior to use.

6 (B) A waived cooperative may negotiate the non-health-care
7 expense component of the premium rates charged with participating
8 health care coverage plans. As used in this sub-subparagraph (B),
9 "non-health-care expense" includes but is not limited to marketing
10 expenses, acquisition expenses, cost of paying claims, commissions,
11 maintenance expenses, other administration costs, profits, and other
12 contingency margins. "Non-health-care expense" does not include fees
13 paid to health care providers for health care services regardless of the
14 methodology of reimbursement or payment.

15 (C) Participating health care coverage plans, including those plans
16 that are under consideration for participation, shall, upon request, disclose
17 to waived cooperatives a list and description of all relevant public
18 information regarding all expenses of the health plans, including but not
19 limited to: The plan's recent filings and previously required filings with
20 the Colorado division of insurance; filings with the national association
21 of insurance commissioners (NAIC); health employer data information
22 set (HEDIS) reports regarding provider compensation; and federal health
23 care financing administration and federal office of personnel management
24 filings relevant to provider compensation. Public information shall be
25 provided upon request to a cooperative within fifteen days after such
26 request.

27 (D) All health care plans participating in a cooperative shall sign

1 an affidavit declaring that all coinsurance paid by the insured participants
2 of the employer members of a waived cooperative shall be based on the
3 health plan's contracted rate within the health plan's provider network.

4 (6) If the commissioner does not act on an application for a waiver
5 under this section within sixty days after submission of the application,
6 the cooperative may request a formal hearing with the commissioner.

7 **SECTION 9.** In Colorado Revised Statutes, **repeal** 10-16-1012
8 as follows:

9 **10-16-1012. Application of rating factors inside a waived**
10 **cooperative.** ~~With the prior approval of the commissioner, a waived~~
11 ~~cooperative may require all participating carriers to apply allowable rate~~
12 ~~adjustment factors and case characteristic factors to all of that waived~~
13 ~~cooperative's business in a consistent fashion, as determined by the~~
14 ~~cooperative. If a waived cooperative has received such approval, a~~
15 ~~participating carrier within that cooperative shall not be required to apply~~
16 ~~allowable rate adjustment factors and case characteristic factors in the~~
17 ~~same way for its waived cooperative business as for its other business.~~

18 **SECTION 10.** In Colorado Revised Statutes, 10-16-1013, **amend**
19 (3) as follows:

20 **10-16-1013. Violations of article by persons involved with**
21 **operations of cooperatives - enforcement - penalties.** (3) Any person
22 adversely affected by an order issued pursuant to this section may, within
23 twenty days after the date of the order, request judicial review under
24 section 24-4-106 (11). ~~C.R.S.~~ An action for judicial review shall not
25 operate to stay or vacate a decision or order; except that the court may
26 issue a stay pending review. ~~The commissioner may recover reasonable~~
27 ~~attorney fees incurred to enforce the order.~~

1 **SECTION 11.** In Colorado Revised Statutes, 10-16-1014, **amend**
2 (1)(h); **repeal** (1)(a), (1)(b), (1)(c), and (1)(e); and **add** (2) as follows:

3 **10-16-1014. Technical assistance to authorized cooperatives**
4 **from division of insurance.** (1) Subject to available appropriations, the

5 commissioner may provide technical assistance to any cooperative that:

6 (a) ~~Makes coverage available to employer members and covered~~
7 ~~individuals statewide to the extent possible;~~

8 (b) ~~Requires that employer members not self-insure for any~~
9 ~~benefits included in the cooperative's basic or standard health benefit~~
10 ~~plans;~~

11 (c) ~~Sets maximum employer member contributions to any plan for~~
12 ~~a covered individual at an amount not to exceed one hundred percent of~~
13 ~~the cost of the lowest-priced coverage for that employee's family~~
14 ~~composition for any particular plan package, with employee members~~
15 ~~paying the difference between the premium of the selected plan and the~~
16 ~~employer contribution;~~

17 (e) ~~Contracts with as many carriers as is allowed by the market~~
18 ~~and the cooperative's quality, access, and information reporting~~
19 ~~requirements;~~

20 (h) Gives each covered ~~individual~~ MEMBER the opportunity to
21 choose among carriers that contract with the cooperative.

22 (2) ~~THE TECHNICAL ASSISTANCE THE COMMISSIONER MAY PROVIDE~~
23 ~~PURSUANT TO SUBSECTION (1) OF THIS SECTION MAY INCLUDE:~~

24 (a) ~~PROVIDING TECHNICAL ASSISTANCE IN THE FORMATION OF A~~
25 ~~COOPERATIVE PURSUANT TO THIS PART 10 SO LONG AS THE COOPERATIVE~~
26 ~~IS NOT FORMED OR ADMINISTERED BY THE COMMISSIONER AS AN ENTITY~~
27 ~~OR INSTRUMENTALITY OF THE STATE;~~

1 (b) EDUCATING COMMUNITIES, BUSINESSES, AND NONPROFIT
2 ORGANIZATIONS ABOUT COOPERATIVES; AND

3 (c) ADVERTISING OR OTHERWISE PUBLICIZING SUCCESSFUL
4 COOPERATIVES THAT HAVE BEEN FORMED IN THE STATE.

5 **SECTION 12.** In Colorado Revised Statutes, **amend** 10-16-1015
6 as follows:

7 **10-16-1015. Health care cooperatives - rule-making authority.**

8 The commissioner may promulgate rules consistent with this part 10 for
9 purposes of carrying out the commissioner's duties under this part 10. ~~The~~
10 ~~commissioner may promulgate rules to carry out the commissioner's~~
11 ~~duties under section 10-16-1005, so long as such rules impose no~~
12 ~~additional requirements beyond those specifically enumerated in section~~
13 ~~10-16-1005.~~

14 **SECTION 13.** In Colorado Revised Statutes, **add** 10-16-1016 as
15 follows:

16 **10-16-1016. State innovation waiver - authority to apply.** AS

17 NECESSARY TO IMPLEMENT THIS PART 10, THE COMMISSIONER MAY APPLY
18 TO THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH AND
19 HUMAN SERVICES FOR A FIVE-YEAR STATE INNOVATION WAIVER IN
20 ACCORDANCE WITH SECTION 1332 OF THE FEDERAL ACT, CODIFIED AT 42
21 U.S.C. SEC. 18052, AND 45 CFR 155.1300. THE COMMISSIONER SHALL
22 ENSURE THAT A WAIVER APPLICATION SUBMITTED PURSUANT TO THIS
23 SECTION COMPLIES WITH THE REQUIREMENTS SPECIFIED IN SECTION 1332
24 OF THE FEDERAL ACT, CODIFIED AT 42 U.S.C. SEC. 18052, AND 45 CFR
25 155.1308.

26 **SECTION 14. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2020 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.