



SUPPORT SB 11-200 to set up a Colorado Health Benefit Exchange!

Sen. Betty Boyd (D-Lakewood), Rep. Amy Stephens (R-Colorado Springs). This bill passed Legislative Council and has been referred to the Senate Committee of the Whole for Second Reading.

Rationale: A Colorado exchange would facilitate access to information on and purchase of health coverage by uninsured individuals and small employers. As the rising costs of health coverage is a primary concern for nonprofits, SB 11-200 would help bring down the costs of coverage by distributing risk more broadly, and fostering a more competitive marketplace for small group and individual plans.

SB 11-200 establishes governance to ensure that experts are involved in overseeing the exchange's operations. Also, the majority of these board members would be consumers and employers ensuring the exchange serves the public well. SB 11-200 prohibits board members from decisions benefiting their direct financial interests.

As a quasi-public entity, the exchange has the flexibility to raise funds from a variety of public and private sources and is still subject to similar transparency to a public agency. Colorado will become part of a federal exchange if it does not set one up by 2014. With this structure, Colorado can use federal grants to make establishing the exchange possible while maintaining state-level control over the exchange's operations.

Summary:

Corporate Structure and Purposes

- Establishes the exchange as a nonprofit unincorporated public entity and state instrumentality.
- Purposes of fostering a competitive insurance marketplace and facilitating access to and enrollment in plans.
- All Colorado authorized carriers may be eligible to participate in the exchange.

Board Responsibilities and Governance

- Board has necessary powers to implement the law including appointing an executive director, establishing operational/financial plans, creating technical/advisory groups, etc.
- Members are not liable for acts or omissions when acting in good faith in an official capacity.
- Members shall comply with standards of conduct and sunshine laws but shall not act to directly benefit their financial interests.
- Establishes a legislative implementation review committee to oversee implementation.

Board Membership

- Governor and majority/minority leadership shall appoint nine voting members. Persons making appointments shall coordinate to ensure broad representation and diversity. Three members are ex officio.
- Members will serve staggered four year terms with a maximum of two terms and may be removed for cause.
- Majority of voting members are individuals or from businesses; not state employees or insurance affiliated.
- Expertise required in one and encouraged in at least two areas: insurance coverage, purchase or navigation; health benefits, delivery, administration, or finance; health economics or actuarial sciences, information technology, or starting a small business.

Fiscal Impact: \$29,638 for legislative staff (0.4 FTE) and per diems. Allows for gifts, grants, and donations.

Contact: Edie Busam (303) 523-6236 ebusam@aponte-busam.com. Mark Turner (303) 832-5710 x 203 mturner@coloradononprofits.org