Senate Bill 08-135 Work Group
to
Develop a Standardized Electronic Identification System
for
Health Insurance

Final Report
and
Recommendations

September 3, 2009

Facilitated by:

Department of Regulatory Agencies
Division of Insurance

Consumer protection is our mission

September 3, 2009

Dear Commissioner Morrison,

The Senate Bill 08-135 Work Group is pleased to submit its final report pursuant to the reporting requirements in §10-16-135, C.R.S. This report presents our recommendations for the development of a statewide standardized electronic health insurance identification system in Colorado.

As our recommendations state, we hope you will continue to utilize the Work Group as a technical resource and reconvene the Group when necessary. The issues surrounding the electronic exchange of data continue to emerge and we look forward to working with you and your staff as implementation moves forward.

Sincerely,

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Bill Heller, Colorado Department of Health Care Policy and Financing

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Table of Contents

Introduction

In 2008, the Colorado General Assembly passed Senate Bill 08-135 (SB135) which required the Commissioner of Insurance to establish a work group to research and make recommendations to the Commissioner regarding the development of a standardized electronic identification card or system to be used by all health insurance carriers and providers. In addition, the legislation required the Commissioner to create a standardized printed identification card through the rulemaking process. The printed card was intended to serve as an interim step, while the state evaluates, develops and fully implements an electronic system. A copy of SB135 is included as Appendix A.

This report describes the work of the Department of Regulatory Agency's (DORA) Division of Insurance (Division) to establish the regulation regarding the standardized printed card, and also presents the activities and final recommendations of the SB135 Work Group.

Establishment of Work Group

In July 2008, the Commissioner of Insurance appointed a sixteen-member work group that included a diverse mix of insurance carriers, state personnel, consumer representatives and providers. A complete list of Work Group members and their affiliations is found in Appendix B. To ensure transparency, the Work Group established a webpage on the Division's website at: http://www.dora.state.co.us/insurance/meet/sb135/sb135%20work%20group.html.

The Work Group held nine meetings which were facilitated by Division staff. At its first meeting, the Work Group reviewed and provided feedback on the draft regulation to establish a standardized printed identification card. Subsequent meetings included educational presentations on various topics involved in developing a standardized electronic identification card or system statewide. These included presentations from other state programs in Texas and Utah, national and regional initiatives. In its final three meetings, the Work Group developed a mission statement, goals, and its final recommendations.

Development of Colorado Insurance Regulation 4-2-29 Regarding Standardized Printed Identification Cards

SB135 directed the Commissioner to establish the requirements for a standardized printed identification card through the rulemaking process by October 31, 2008. Division staff worked quickly to draft the regulation and move it through the rulemaking process in order to meet the October deadline.

As part of the review and vetting process, the Division convened the Work Group in July 2008, prior to the public hearing on the proposed regulation. The Commissioner utilized the expertise of the group to help the Division draft a comprehensive and implementable structure for the standardized printed card. The Group provided extensive input and feedback on the regulation which was incorporated into the final product. Colorado Insurance Regulation 4-2-29 became effective October 1, 2008 with a July 1, 2009 implementation date.

The Division opened the regulation in May 2009 to clarify that abbreviations could be used on the printed card and cards issued for short term insurance plans are not required to be plastic or laminated. The effective date remained July 1, 2009. The full text of Colorado Insurance Regulation 4-2-29 is found in Appendix C.

Mission Statement and Goals

To help guide the recommendations, the Work Group developed the following mission statement and goals. These were structured to reflect the Division's overall mission of consumer protection.

Mission

Enhance consumer experience through building consensus among the essential Colorado healthcare industry stakeholders by making recommendations that demonstrate administrative interoperability between payers and providers.

- Build on applicable HIPAA transaction requirements.
- Enable providers to exchange transactions between any systems.
- Facilitate administrative and clinical data integration.
- Conform solutions with national initiatives, including WEDI and CORE.[1]
- Encourage systems that are based on affordable and sustainable models.

Goals

- Adopt recommendations that allow for future technological innovations.
- Adopt recommendations that allow for future federal regulatory requirements.
- Adopt recommendations that address the needs of rural consumers and providers.
- Adopt recommendations that minimize unintended consequences.
- Adopt recommendations that address consumer privacy concerns.

Understanding National Standards and Uniform Operating Rules for Electronic Data Exchange

One of the Work Group's challenges was to fully understand the different national standards and operating rules that surround the debate and development of an electronic data exchange. The Work Group recognized the importance of establishing standards and operating principles so a comprehensive system can be developed. Colorado already has multiple efforts underway trying to address electronic data exchange. The most effective way for Colorado to support rapid deployment of electronic communications between payers and providers, reduce overall costs and achieve the long-term vision for an interoperable healthcare delivery system is to support the implementation of national standards and uniform operating rules.

The Group spent a significant amount of time learning about two entities that are developing standards and providing guidance on data exchange nationwide – the Workgroup for Electronic

[1] WEDI and CORE are defined and discussed on pg.3.

Data Exchange (WEDI) and the Coalition for Affordable Quality Healthcare's (CAQH) Committee on Operating Rules for Information Exchange (CORE).

WEDI was first established in 1991 by the United States Health and Human Services Secretary to identify how to achieve administrative simplification through the use of electronic data interchange. The early reports helped form the basis for administrative simplification in the Health Insurance Portability and Accountability Act of 1996 (HIPAA). WEDI is now a non-profit trade association and continues to serves as an advisor to the federal government regarding the implementation of HIPAA regulations and other initiatives involved in electronic data exchange. WEDI's November, 2007, *Standardized Health Plan ID Card Implementation Guide* served as an important resource throughout the Work Group's input on Colorado Insurance Regulation 4-2-29 and the Group's broader deliberations. More information on WEDI can be found at http://www.wedi.org/snip/public/articles/details~74.shtml.

CORE's mission is to bring together healthcare industry stakeholders to create operating rules that help guide the consistent and robust electronic exchange of healthcare information. Such operating rules will allow interoperability to become a reality. The overarching method CORE applies to reach its mission is the promotion of uniformly using national standards that will guide implementation efforts of payers, vendors and providers alike, thus limiting the financial and educational investment required by those who deliver healthcare services. CORE membership involves multiple stakeholders and includes health insurance carriers responsible for providing coverage to more than 75% of the nation's commercially insured population. CORE uses a phase structure. Phase I addresses rules for eligibility data, while Phase II and Phase III move into claims, clinical data exchange standards, and standards for ID cards. More information about CORE is located at http://www.caqh.org/benefits.php

Information regarding both of these entities is woven into the Work Group's recommendations.

Other Colorado Electronic Data Exchanges

Currently, Colorado has a variety of health information exchange efforts in the state including, but not limited to, the Colorado Regional Health Information Organization (CORHIO) and the Center for Improving Value in Health Care (CIVHC). The Work Group heard a presentation from the CORHIO executive director, Phyllis Albritton, to ensure its recommendations would complement rather than duplicate CORHIO's work. While CORHIO currently focuses on the exchange of clinical data, the Work Group recognizes the importance or coordinating these efforts, so full interoperability can be reached among all electronic data exchange initiatives in Colorado.

SB135 Work Group Recommendations

The legislation explicitly stated the areas on which the Work Group should focus their analysis and recommendations. The Work Group's charge was to make recommendations to the Commissioner of Insurance in the following areas:

1. Standards for technology and tools through which information may be electronically recognized, exchanged, or transmitted between carriers and providers, which standards

shall conform to any standards adopted by a non-profit organization that sets relevant national standards.

2. Specific information that such technology and tools should be able to electronically exchange or transmit.

3. Simplify eligibility and coverage verification through electronic data interchange utilizing swipe card or other appropriate technology.

4. Eligibility notification, pre-authorization, or service notification and retroactive denial through electronic data interchange using swipe card or other appropriate technology.

5. Incorporation of the requirements of §10-16-124, C.R.S., pertaining to uniform prescription drug information as part of the technology and tools for electronically recognizing, exchanging, or transmitting information between carriers and providers.

6. Determination of whether or not a printed card is necessary after the electronic data interchange technology and tools are fully implemented, and, if so, what information is needed on a printed card.

7. Determination of when such technology could be implemented for medical assistance programs as defined in §§25.5-1-103 and 25.5-4-103, C.R.S.

8. Determination of whether or not a pilot program for initial use of the recommended technology and tools is appropriate.

The following recommendations provide a method by which the state can move to an electronic system in an efficient manner that benefits providers and carriers while empowering and protecting consumers.

Recommendation 1:

Colorado should require the uniform use of the CAQH developed CORE data content and infrastructure rules in the exchange of HIPAA-compliant healthcare information as a means of streamlining and standardizing administrative interoperability between health carriers and providers. Carriers should be required to apply the approved CORE rules as a means of streamlining real-time and/or batch data processing. CORE requirements include but are not limited to the following:

1. The rules should follow the CORE requirements for robust data content specific to eligibility and claims status transactions.
    a. Patient financial responsibility
        1. Co-payment, co-insurance, deductibles.
        2. Coverage variances for in- and out-of-network services.
    b. Dependent information.
    c. Support and specific service codes for patient financial information regarding key services, e.g. hospital inpatient, professional visits.

2. The rules should follow the CORE requirements for infrastructure that improve data content flow between providers and payers:
    a. Connectivity: Provide a uniform way for stakeholders to connect and conduct authentication through the Internet.
    b. Response times: Specific information will be available within CORE guidelines for requests (e.g. real time)
    c. Systems Availability: Establish systems sending/receiving information will be available a set percentage of time, e.g. 86%.
    d. Acknowledgements: Assure provider transactions are received and facilitate correction of any errors in data sent.
    e. Patient identification: Assist with ensuring patient-specific identification occurs.

Recommendation 2:

All health carriers should be required to pledge by July 1, 2012 to become Phase I certified and to complete the certification by June 30, 2013. CORE Phase I compliments HIPAA version 5010, which is federally required by January 1, 2012. Carriers should be required to get certified for CORE Phase II within one year of completing certification for Phase I. For subsequent phases, carriers should be required to apply for certification within one year of completing the previous phase or within one year of subsequent phase certification becoming available.

Colorado state medical assistance programs should be under the same requirements subject to available appropriations.

Recommendation 3:

In order to support innovation in the marketplace, providers, vendors and carriers undertaking the electronic exchange of data should follow national standards of the WEDI ID Card Implementation Guide and CORE operating rules, or other national standards as approved by the Commissioner of Insurance.

Recommendation 4:

Upon installation of new operating systems, all providers and vendors should be required to use CORE certified systems in their communications or contract with a vendor who has applied by July 1, 2012 to be CORE certified.

An exemption to CAQH CORE certification shall be granted in the case of an integrated delivery system where a carrier operates with a provider group dedicated solely to that carrier in a unified systems environment for both clinical and administrative transactions. This exemption applies only to the information exchange in which the carrier and dedicated provider group are not constrained by the traditional boundaries of separate and independent health carriers and clinical systems, but use common systems that already demonstrate administrative interoperability (e.g. Kaiser Permanente Colorado). CAQH CORE certification is still required for the aspects of integrated systems that provide information exchange functionality for carrier interactions related to consumers, out of network providers and non-dedicated providers.

Recommendation 5:

Information on a card or in an electronic exchange should be able to reliably identify a unique individual in order to complete eligibility and claims transactions.

Recommendation 6:

Carriers should not be required to incorporate the requirements of §10-16-124, C.R.S., regarding uniform prescription drug information into the standardized identification card system.

Recommendation 7:

The Department of Health Care Policy and Financing will need additional resources to modify, produce, and distribute the standardized identification card for the state medical assistance programs. The Department should request additional resources through the standard budgeting process. If the Department receives additional resources in order to modify, produce, and distribute the standardized identification card, the work should begin in July 2011.

Recommendation 8:

Colorado should not create a pilot program for initial use of the recommended technology and tools. These recommendations should be implemented concurrently and statewide. Any rural carrier or provider may apply for an extension of any deadline pursuant to §10-16-135(6) C.R.S. DORA's Division of Insurance should develop an evaluation component to the implementation plan to ensure the new requirements are administered fairly and meet the intent of the original legislation.

Recommendation 9:

As Colorado develops and implements a standardized electronic identification information exchange, DORA's Division of Insurance should periodically reconvene the SB135 Work Group to seek technical assistance and share ideas to help providers, vendors, carriers and consumers transition into the new system more efficiently and effectively. This will allow these recommendations and the new system to adapt to any new technologies and processes that may become available. It will also allow the Division to receive updates on national pilots such as the America's Health Insurance Plan's (AHIP) trade association web portal pilot in New Jersey and Ohio, and any changes in the CORE initiatives.

The Work Group recognizes the need for education for all stakeholders regarding how and when a comprehensive system for data exchange will be implemented and what is required. The Division should play a role in this educational process as its staffing and other resources allow by offering programs or monitoring the implementation deadlines through its market conduct activities. Any educational program will require additional resources for the Division to develop and distribute information.

APPENDIX A

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

SENATE BILL 08-135

BY SENATOR(S) Mitchell S., Bacon, Boyd, Groff, Hagedorn, Keller, Kester, McElhany, Schultheis, Shaffer, Spence, Taylor, Tochtrop, Tupa, Wiens, Williams, and Windels;
also REPRESENTATIVE(S) Gagliardi, Butcher, Carroll T., Casso, Hodge, Kerr A., Labuda, Madden, Massey, McGihon, Merrifield, Solano, Stafford, Summers, and Todd.

CONCERNING A STANDARDIZED CARD TO BE ISSUED TO PERSONS COVERED UNDER A HEALTH COVERAGE PLAN, AND MAKING AN APPROPRIATION THEREFOR.

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

SECTION 1. Part 1 of article 16 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-135. Health benefit plan information cards - rules - standardization - contents. (1) (a) THE COMMISSIONER SHALL ADOPT RULES REQUIRING EVERY CARRIER PROVIDING A HEALTH BENEFIT PLAN TO ISSUE TO COVERED PERSONS TO WHOM A HEALTH BENEFIT PLAN IDENTIFICATION CARD IS ISSUED A STANDARDIZED, PRINTED CARD CONTAINING PLAN INFORMATION. TO THE EXTENT POSSIBLE, THE RULES SHALL INCORPORATE AND NOT CONFLICT WITH THE REQUIREMENTS OF

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

SECTION 10-16-124 REGARDING PRESCRIPTION INFORMATION CARDS. THE COMMISSIONER SHALL ADOPT INITIAL RULES BY OCTOBER 31, 2008, THAT DESCRIBE THE FORMAT OF A STANDARDIZED, PRINTED CARD TO BE ISSUED BY CARRIERS TO PERSONS COVERED UNDER A HEALTH BENEFIT PLAN TO WHOM HEALTH BENEFIT PLAN IDENTIFICATION CARDS ARE ISSUED. THE RULES ESTABLISHING THE FORMAT FOR THE PRINTED CARD SHALL INCLUDE A STANDARD SIZE, SHALL REQUIRE THE CARD TO BE LEGIBLE AND PHOTOCOPIED, AND SHALL DELINEATE THE INFORMATION TO BE CONTAINED ON THE CARD, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION, AS APPLICABLE:

(I) THE COVERED PERSON'S NAME AND THE APPLICABLE PLAN NUMBER;

(II) COPAYMENT AND DEDUCTIBLE AMOUNTS FOR THE MOST COMMONLY USED HEALTH CARE SERVICES;

(III) CONTACT INFORMATION FOR THE CARRIER OR HEALTH BENEFIT PLAN ADMINISTRATOR; AND

(IV) AN INDICATION OF WHETHER THE HEALTH BENEFIT PLAN IS REGULATED BY THE STATE.

(b) THE RULES ADOPTED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL REQUIRE ALL CARRIERS TO ISSUE A STANDARDIZED, PRINTED CARD TO A COVERED PERSON TO WHOM A HEALTH BENEFIT PLAN IDENTIFICATION CARD IS ISSUED UPON THE PURCHASE OR RENEWAL OF OR ENROLLMENT IN A PLAN ON OR AFTER JULY 1, 2009. NO LATER THAN JULY 1, 2010, ALL CARRIERS SHALL ISSUE THE STANDARDIZED, PRINTED CARD TO COVERED PERSONS TO WHOM HEALTH BENEFIT PLAN IDENTIFICATION CARDS ARE ISSUED.

(c) NOTHING IN THIS SECTION SHALL PRECLUDE A CARRIER FROM INCLUDING INFORMATION ON THE STANDARDIZED PRINTED CARDS THAT IS IN ADDITION TO THE INFORMATION REQUIRED TO BE INCLUDED ON THE CARD PURSUANT TO RULES ADOPTED PURSUANT TO THIS SECTION.

(2) (a) NO LATER THAN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE COMMISSIONER, IN CONSULTATION WITH THE DIRECTOR OF THE DIVISION OF REGISTRATIONS IN THE DEPARTMENT OF REGULATORY

AGENCIES AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, SHALL ESTABLISH A WORK GROUP COMPRISED OF REPRESENTATIVES OF THE DIVISIONS OF INSURANCE AND REGISTRATIONS IN THE DEPARTMENT OF REGULATORY AGENCIES; THE DEPARTMENTS OF PUBLIC HEALTH AND ENVIRONMENT, PERSONNEL, AND HEALTH CARE POLICY AND FINANCING; THE GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY; CARRIERS; PROVIDERS, INCLUDING HOSPITALS, PHYSICIANS, AND PHARMACISTS; PRIVATE BUSINESSES; CONSUMERS; AND OTHER STAKEHOLDERS DEEMED APPROPRIATE BY THE COMMISSIONER. THE WORK GROUP SHALL:

(I) MAKE RECOMMENDATIONS ON STANDARDS FOR TECHNOLOGY AND TOOLS THROUGH WHICH INFORMATION MAY BE ELECTRONICALLY RECOGNIZED, EXCHANGED, OR TRANSMITTED BETWEEN CARRIERS AND PROVIDERS, WHICH STANDARDS SHALL CONFORM TO ANY STANDARDS ADOPTED BY A NONPROFIT ORGANIZATION THAT SETS RELEVANT NATIONAL TECHNICAL STANDARDS;

(II) MAKE RECOMMENDATIONS AS TO THE SPECIFIC INFORMATION THAT SUCH TECHNOLOGY AND TOOLS SHOULD BE ABLE TO ELECTRONICALLY EXCHANGE OR TRANSMIT;

(III) MAKE RECOMMENDATIONS TO SIMPLIFY ELIGIBILITY AND COVERAGE VERIFICATION THROUGH ELECTRONIC DATA INTERCHANGE UTILIZING SWIPE CARD OR OTHER APPROPRIATE TECHNOLOGY;

(IV) MAKE RECOMMENDATIONS REGARDING ELIGIBILITY NOTIFICATION, PREAUTHORIZATION, OR SERVICE NOTIFICATION AND RETROACTIVE DENIAL THROUGH ELECTRONIC DATA INTERCHANGE USING SWIPE CARD OR OTHER APPROPRIATE TECHNOLOGY;

(V) MAKE RECOMMENDATIONS REGARDING HOW TO INCORPORATE THE REQUIREMENTS OF SECTION 10-16-124 PERTAINING TO UNIFORM PRESCRIPTION DRUG INFORMATION AS PART OF THE TECHNOLOGY AND TOOLS FOR ELECTRONICALLY RECOGNIZING, EXCHANGING, OR TRANSMITTING INFORMATION BETWEEN CARRIERS AND PROVIDERS;

(VI) MAKE RECOMMENDATIONS REGARDING WHETHER, ONCE ELECTRONIC DATA INTERCHANGE TECHNOLOGY AND TOOLS ARE FULLY IMPLEMENTED, STANDARDIZED, PRINTED CARDS ARE NECESSARY AND, IF SO,

WHAT INFORMATION NEEDS TO BE INCLUDED ON THE PRINTED CARDS;

(VII) MAKE RECOMMENDATIONS REGARDING WHEN SUCH TECHNOLOGY COULD BE IMPLEMENTED FOR MEDICAL ASSISTANCE PROGRAMS, AS DEFINED IN SECTIONS 25.5-1-103 AND 25.5-4-103, C.R.S.; AND

(VIII) MAKE RECOMMENDATIONS, IF THE WORK GROUP SO CHOOSES, TO CREATE A PILOT PROGRAM FOR INITIAL USE OF THE RECOMMENDED TECHNOLOGY AND TOOLS.

(b) THE WORK GROUP ESTABLISHED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL REPORT ITS RECOMMENDATIONS TO THE COMMISSIONER NO LATER THAN SIX MONTHS AFTER ITS FIRST MEETING; EXCEPT THAT, IF THE WORK GROUP IS UNABLE TO COMPLETE ITS DUTIES IN SIX MONTHS, IT MAY REQUEST THAT THE COMMISSIONER EXTEND THE DEADLINE BY NOT MORE THAN AN ADDITIONAL SIX MONTHS.

(c) AFTER RECEIPT OF THE WORK GROUP'S RECOMMENDATIONS, THE COMMISSIONER SHALL ADOPT RULES TO IMPLEMENT A STANDARDIZED ELECTRONIC SWIPE CARD OR OTHER APPROPRIATE TECHNOLOGY TO BE USED BY CARRIERS, PROVIDERS, AND COVERED PERSONS UNDER A HEALTH BENEFIT PLAN TO ALLOW ACCESS TO INFORMATION REGARDING THE APPLICABLE COVERAGE UNDER THE PLAN. CARRIERS SHALL IMPLEMENT THE NEW TECHNOLOGY NO LATER THAN TWO YEARS AFTER THE EFFECTIVE DATE OF THE RULES ADOPTED PURSUANT TO THIS PARAGRAPH (c); EXCEPT THAT, IF THE WORK GROUP CONCLUDES THAT CARRIERS ARE UNABLE TO FULLY IMPLEMENT THE TECHNOLOGY BY THE DEADLINE, THE WORK GROUP MAY RECOMMEND THAT THE COMMISSIONER GRANT AN EXTENSION OF NOT MORE THAN SIX MONTHS FOR FULL IMPLEMENTATION OF THE REQUIREMENTS OF SUCH RULES.

(3) THE RULES ADOPTED BY THE COMMISSIONER PURSUANT TO THIS SECTION SHALL CONFORM TO APPLICABLE FEDERAL GUIDELINES ON STANDARDIZED CLAIMS ATTACHMENT FORMS ONCE SUCH FEDERAL GUIDELINES ARE ADOPTED.

(4) THE COMMISSIONER SHALL AMEND, MODIFY, REENACT, UPDATE, OR OTHERWISE REVISE THE RULES ADOPTED PURSUANT TO THIS SECTION AS NECESSARY TO REFLECT THE MOST CURRENT TECHNOLOGY AVAILABLE THAT

WILL ALLOW REAL-TIME DATA EXCHANGE, BENEFITS ELIGIBILITY, COVERAGE DETERMINATIONS, AND OTHER APPROPRIATE PROVIDER-CARRIER TRANSACTIONS.

(5) LICENSED OR CERTIFIED HOSPITALS AND PHYSICIANS LICENSED PURSUANT TO ARTICLE 36 OF TITLE 12, C.R.S., SHALL USE THE STANDARDIZED, PRINTED CARD PROVIDED TO COVERED PERSONS AND CHILDREN'S BASIC HEALTH PLAN ENROLLEES AND, ONCE IMPLEMENTED, SHALL USE THE STANDARDIZED ELECTRONIC TECHNOLOGY FOR ACCESSING INFORMATION ABOUT THE COVERAGE AVAILABLE UNDER A HEALTH BENEFIT PLAN OR THE CHILDREN'S BASIC HEALTH PLAN FOR A COVERED PERSON OR ENROLLEE TO WHOM HEALTH CARE SERVICES ARE OR WILL BE PROVIDED BY THE HOSPITAL OR PHYSICIAN.

(6) A CARRIER OR PROVIDER LOCATED IN A RURAL AREA OF THE STATE, AS DETERMINED BY THE COMMISSIONER, MAY APPLY TO THE COMMISSIONER FOR, AND THE COMMISSIONER MAY GRANT, AN EXTENSION OF ANY OF THE DEADLINES IMPOSED BY THIS SECTION IF MEETING A PARTICULAR DEADLINE WOULD IMPOSE A FINANCIAL HARDSHIP ON THE RURAL CARRIER OR PROVIDER. THE COMMISSIONER MAY REQUIRE THE RURAL CARRIER OR PROVIDER TO SUBMIT DOCUMENTATION SUPPORTING THE FINANCIAL HARDSHIP CLAIM.

SECTION 2. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the division of insurance cash fund created in section 10-1-103 (3), Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, for allocation to the division of insurance, to prepare the regulations related to the format of standardized insurance cards and to form and staff a working group to make recommendations to the commissioner related to the implementation of this act, for the fiscal year beginning July 1, 2008, the sum of twelve thousand nine hundred twenty-eight dollars ($12,928), or so much thereof as may be necessary, for the implementation of this act.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Peter C. Groff PRESIDENT OF THE SENATE	Andrew Romanoff SPEAKER OF THE HOUSE OF REPRESENTATIVES
Karen Goldman SECRETARY OF THE SENATE	Marilyn Eddins CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES

APPROVED_____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO

APPENDIX B

Department of Regulatory Agencies

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Marcy Morrison
Commissioner

2008 Senate Bill 135 Work Group

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APPENDIX C

DEPARTMENT OF REGULATORY AGENCIES

DIVISION OF INSURANCE

3 CCR 702-4

LIFE, ACCIDENT AND HEALTH

Regulation 4-2-29

CONCERNING THE RULES FOR STANDARDIZED CARDS ISSUED TO PERSONS COVERED BY HEALTH BENEFIT PLANS

Section 1 Authority

This regulation is being promulgated pursuant to the authority granted to the Commissioner of Insurance in §10-1-109, C.R.S. and is adopted by the Commissioner of Insurance pursuant to the requirement in §10-16-135, C.R.S.

Section 2 Scope and Purpose

The purpose of this regulation is to provide health carriers the guidance necessary to implement Senate Bill 135 enacted in 2008 by the Colorado General Assembly and effective on July 1, 2009.

Section 3 Applicability

This regulation applies to all individual and group health benefit plans issued or renewed on or after July 1, 2009 by entities subject to Part 2, Part 3 and Part 4 of Article 16 of Title 10 of the Colorado Revised Statutes, and to any person enrolling in an existing plan on or after July 1, 2009.

Section 4 Definitions

A. “Carrier” shall have the same meaning as set forth in §10-16-102(8), C.R.S.

B. “Clear and conspicuous” as used in this regulation means that the placement of the required information will be set apart from other information listed to allow it to be easily located on the card.

C. “Health benefit plan” shall have the same meaning as set forth in §10-16-102(21), C.R.S.

D. "Limited benefit health insurance" means a health policy, contract or certificate offered or marketed on an individual or group basis as supplemental health insurance that pays specified amounts according to a schedule of benefits to defray the costs of care, services, deductibles, copayments or coinsurance amounts not covered by a health benefit plan. “Limited benefit

health insurance" does not include short-term limited duration health insurance policies, contracts or certificates; high deductible plans; or catastrophic health policies, contracts or certificates. Such non-supplemental plans are included under the term "health benefit plan".

E. "Short-term health benefit plans" shall have the same meaning as §10-16-102(21)(b), CRS, subparagraphs (I) and (II).

Section 5 Rules

A. The requirements of this regulation shall apply to identification cards issued to persons covered under health benefit plans. These requirements do not apply to identification cards issued to persons covered by limited benefit health insurance plans.

B. The card size shall be approximately 2.125 inches by 3.370 inches, which is consistent with standard-sized credit cards, and shall be either made of plastic, or laminated. Cards issued in connection with coverage provided by short-term health benefit plans do not have to be made of plastic or be laminated.

C. The colors used for the card and font shall be legible and conducive to black and white photocopying.

D. The following information shall appear on the front side of the identification card, in no less than 8 point font:

1. The legal name of the carrier underwriting the policy, but a "dba" may also be included;

2. The covered person's first name, middle initial (if applicable), and last name;

3. Any applicable policy, certificate, or group numbers, and the subscriber's or covered person's identifying number, as applicable, which is sufficient to identify the covered person with the policy;

4. The specific plan number or name;

5. The plan type (such as HMO (Health Maintenance Organization), POS (Point-of-Service), PPO (Preferred Provider Organization), or Indemnity (non-managed care plan));

6. Coverage levels for the following services. If all services are subject to the plan's deductible and applicable coinsurance, a non-specific amount notation of "Deductible and coinsurance" is sufficient; otherwise, the required copayments shall be specified. If both a deductible and copayment apply, a non-specific amount notation of "Deductible" is sufficient, followed by the specified copayment amount.

a. Primary care;

b. Specialty care;

c. After hours/urgent care;

d. Emergency room; and

e. Inpatient hospital.

7. The designation "CO-DOI" for any and all plans regulated in whole or in part by the State of Colorado's Division of Insurance. This designation shall be placed on the card in a clear and conspicuous manner.

E. The following information shall appear on either the front or reverse side of the identification card at the carrier's discretion, in no less than 8 point font:

1. Contact information for the carrier or plan administrator which includes:

a. Name and address for claim submissions;

b. Telephone number(s) for member/customer service;

c. Website address;

d. If applicable, a statement that preauthorization or notification for hospitalization or other services may be required and the telephone number to obtain such preauthorization or to make notification.

e. If the carrier does not use its own managed care provider network, the logo, name of the network, website, or toll-free number where provider network information can be readily obtained.

2. "Card issued" date; however, this date shall be displayed in a clear and conspicuous manner.

F. The card may include other information at the carrier's discretion.

G. Carriers may utilize commonly-known abbreviations or acronyms for the purposes of displaying the information required by paragraph 6. of subsection D., such as:

1. "PCP" to describe or refer to primary care physician benefits;

2. "SCP" to describe or refer to specialty care physician benefits;

3. "Urgent" to describe or refer to after hours/urgent care benefits;

4. "ER" to describe or refer to "emergency room" benefits;

5. "Hospital" to describe or refer to inpatient hospital benefits;

6. "Ded" or "deduct" to describe the application of the policy's deductible; or,

7. "Co-ins" to describe the application of the policy's coinsurance requirements.

H. Carriers choosing to utilize commonly known abbreviations or acronyms in accordance with subsection G. shall provide an explanation of the abbreviations and/or acronyms displayed on the card in the information provided when the card is sent to the covered person.

Section 6 Severability

If any provision of this regulation or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of this regulation shall not be affected.

Section 7 Enforcement

Noncompliance with this regulation may result, after proper notice and hearing, in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance or other laws which include the imposition of fines, issuance of cease and desist orders, and/or suspensions or revocation of certificates of authority. Among others, the penalties provided for in §10-3-1108, C.R.S., may be applied.

Section 8 Effective Date

This regulation shall become effective on July 1, 2009.

Section 9 History

New regulation effective October 1, 2008.

Amended effective July 1, 2009.