INSURANCE INFORMATION

<u>Assisted Facility Residences</u>: General Liability Insurance is mandatory if you participate in the Medicaid Program as an ACF (Alternative Care Facility) per 24-10-114 (1)(b) et seq., C.R.S. as amended. Minimum coverage is \$600,000 per occurrence and \$1 million general aggregate.

<u>Community Residential Homes for Persons with Developmental Disabilities</u>: Are exempt from provisions of the Health Care Availability Act (HCAA).

All Other Facilities:

With exception of the facilities footnoted below¹, the "Health Care Availability Act-Compliance Requirements Policy" is applicable to all health care institutions licensed by the Department. A health care institution that elects to comply with the Health Care Availability Act ("HCAA") by maintaining commercial professional liability insurance coverage in minimum indemnity amounts of five hundred thousand dollars (\$500,000) per incident and three million (\$3,000,000) annual aggregate per year², must establish compliance. Appropriate insurance information, as required by the Health Care Availability Act (HCAA) (section 13-64-301, C.R.S.) must be submitted to the Department, please see below for additional information and requirements.

- o Facilities must comply with our policy titled "Policy effective as of 01/01/2010", located at: http://www.cdphe.state.co.us/hf/pubguide.html. Please note, failure to comply with the provisions of section (1) in the policy effective 01/01/2010 may result in denial of the license application or a delay in license issuance.
- 1) Facilities that elect to maintain insurance coverage with no self-insured retention ("SIR"): By submitting a copy of the commercial professional liability insurance policy and a certificate of professional liability insurance that clearly demonstrates that the individual facility meets both the per claim and aggregate per facility coverage as required by the Act for the term of the license. Please note, the Colorado Department of Public Health and Environment shall be listed as the certificate holder on the certificate of professional liability insurance. Additionally, the certificate shall require notification to the Department of any changes in coverage.
 - a. If you are complying with option 1 above, please indicate so here by checking this box and providing a copy of the certificate of professional liability insurance as well as a copy of your commercial professional liability insurance policy. For additional information please see the enclosure titled "Insurance Guidelines".
 - b. Please disregard the above section if you have already submitted your current renewal professional liability insurance policy to our Division. This may occur if your professional liability insurance policy coverage does not coincide with the date of your license expiration.
- 2) Facilities that elect to maintain insurance coverage that includes a self-insured retention (SIR) amount or deductible other than \$0: In addition to the items listed in number one above, the applicant shall provide the Colorado Department of Public Health and Environment evidence that the Colorado Division of Insurance (DOI) has approved an alternative form of establishing financial responsibility as provided in Colorado Insurance Regulation 2-1-1, 3 CCR 702-2. DOI's regulations entitled "Requirements for Establishing Financial Responsibility" may be accessed at http://www.dora.state.co.us/insurance/regs/2-1-1.pdf. Please be reminded that DOI requires applications be submitted not less than sixty (60) days prior to the date when approval is required or, if prior approval from DOI exists, sixty (60) days in advance of the expiration date of such approval. For more information, please refer to the URL provided above or contact Raymond Akers at (303) 894-7836 or Cindy Hathaway at (303) 894-7475.
 - a. If you are complying with option 2 above, please indicate so here by checking this box and providing a copy of the certificate of professional liability insurance. Additionally, please provide the date that you submitted your "Alternative form of establishing financial responsibility" to DOI: ______. If DOI has already approved your alternative form of insurance, please enclose a copy of their approval letter.

Alternative Statutory Compliance Options:

It is critical to note that the above referenced policy does not affect the submission of proposed alternatives (*e.g. surety bonds*, *cash or cash equivalents*, *other acceptable security*) to maintaining commercial professional liability insurance. As specified in 13-64-301 (1)(c) – (e), C.R.S., proposed alternatives continue to require Division of Insurance approval. DOI requires all such applications to be submitted not less than sixty (60) days prior to the date when approval is required or, if prior approval from DOI exists, sixty (60) days in advance of the expiration date of such approval. For more information, please refer to www.dora.state.co.us/insurance/regs/2-1-1.pdf, or contact DOI representatives at the telephone numbers listed in item 2) above.

¹ The following facilities are exempt from the requirements of the HCAA: Governmental entities that fall under the *Colorado Governmental Immunity Act*, outpatient mental health care facility; including but not limited to a community mental health center or clinic; and, any extended care facility or hospice with sixteen or fewer inpatient beds, including but not limited to nursing homes or rehabilitation facilities.

² Or, in the case of Community Clinics and Community Clinics & Emergency Centers, in amounts set forth in 6 CCR 1011-1, Chapter IX, Section 12.