

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 19-0081.01 Brita Darling x2241

HOUSE BILL 19-1004

HOUSE SPONSORSHIP

Roberts and Catlin,

SENATE SPONSORSHIP

Donovan,

House Committees
Health & Insurance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A PROPOSAL FOR IMPLEMENTING A COMPETITIVE STATE
102 OPTION FOR MORE AFFORDABLE HEALTH CARE COVERAGE IN
103 COLORADO, AND, IN CONNECTION THEREWITH, REQUESTING
104 AUTHORIZATION TO USE EXISTING FEDERAL MONEY FOR THE
105 PROPOSED STATE OPTION AND TAKING OTHER ACTIONS TOWARD
106 THE IMPLEMENTATION OF THE STATE OPTION.

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>.)

The bill requires the department of health care policy and

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.

financing and the division of insurance in the department of regulatory agencies (departments) to develop and submit a proposal (proposal) to certain committees of the general assembly concerning the design, costs, benefits, and implementation of a state option for health care coverage. Additionally, the departments shall present a summary of the proposal at the annual joint hearings with the legislative committees of reference during the interim before the 2020 legislative session.

The proposal must contain a detailed analysis of a state option and must identify the most effective implementation of a state option based on affordability to consumers at different income levels, administrative and financial burden to the state, ease of implementation, and likelihood of success in meeting the objectives described in the bill. The proposal must also identify any necessary changes to state law to implement the proposal.

In developing the proposal, the departments shall engage in a stakeholder process that includes public and private health insurance experts, consumers, consumer advocates, employers, providers, and carriers. Further, the departments shall review any information relating to a pilot program operated by the state personnel director as a result of legislation that may be enacted during the 2019 legislative session.

The departments shall prepare and submit any necessary federal waivers or state plan amendments to implement the proposal, unless a bill is filed within the filing deadlines for the 2020 legislative session that substantially alters the federal authorization required for the proposal and the bill is not postponed indefinitely in the first committee.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-1-129 as
3 follows:

4 **25.5-1-129. State department proposal - state option for health**
5 **care coverage - report to general assembly - waiver authorization -**
6 **legislative declaration.** (1) (a) THE GENERAL ASSEMBLY FINDS THAT:

7 (I) EVERY COLORADAN DESERVES ACCESS TO HIGH-QUALITY,
8 AFFORDABLE HEALTH CARE TO HELP SUPPORT HIS OR HER WELL-BEING AND
9 ECONOMIC SECURITY;

10 (II) TO ACHIEVE THESE GOALS, COLORADO HAS SUCCESSFULLY
11 IMPLEMENTED PROVISIONS OF THE FEDERAL "PATIENT PROTECTION AND

1 AFFORDABLE CARE ACT" THAT HAVE HELPED EXPAND ACCESS AND
2 INCREASE AFFORDABILITY TO THOUSANDS OF COLORADANS, INCLUDING
3 EXPANDING MEDICAID COVERAGE TO MORE LOW-INCOME ADULTS AND
4 CREATING THE COLORADO HEALTH BENEFIT EXCHANGE;

5 (III) DESPITE THIS SUCCESS, IN SEVERAL REGIONS OF THE STATE,
6 HEALTH INSURANCE IS NOT AFFORDABLE DUE TO LIMITED OR NO
7 COMPETITION AMONG INSURANCE CARRIERS AS WELL AS OTHER
8 MARKETPLACE FACTORS, AND COLORADANS CANNOT AFFORD THE HEALTH
9 INSURANCE PREMIUMS AND OUT-OF-POCKET EXPENSES;

10 (IV) SPECIFICALLY, COLORADANS IN FOURTEEN COUNTIES HAVE
11 ACCESS TO ONLY A SINGLE HEALTH INSURANCE CARRIER PARTICIPATING
12 IN THE COLORADO HEALTH BENEFIT EXCHANGE, AND THE NUMBER OF
13 UNINSURED COLORADANS IN THOSE COUNTIES IS RISING;

14 (V) COLORADO HAS HISTORICALLY BEEN A NATIONAL LEADER IN
15 HEALTH CARE INNOVATION;

16 (VI) UNCERTAINTY AT THE FEDERAL LEVEL REQUIRES COLORADO
17 TO BE PROACTIVE AND EXPLORE AND IMPLEMENT ITS OWN INNOVATIVE
18 SOLUTIONS TO PROVIDE GREATER ACCESS TO AFFORDABLE, HIGH-QUALITY
19 HEALTH CARE COVERAGE FOR COLORADO RESIDENTS; AND

20 (VII) A STATE OPTION FOR HEALTH CARE COVERAGE THAT USES
21 EXISTING STATE HEALTH CARE INFRASTRUCTURE MAY DECREASE COSTS
22 FOR COLORADANS, INCREASE COMPETITION, AND IMPROVE ACCESS TO
23 HIGH-QUALITY, AFFORDABLE, AND EFFICIENT HEALTH CARE.

24 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
25 TASKING THE STATE DEPARTMENT AND THE DIVISION OF INSURANCE IN THE
26 DEPARTMENT OF REGULATORY AGENCIES, REFERRED TO IN THIS SECTION
27 AS "THE DIVISION", WITH DEVELOPING A PROPOSAL THAT CONSIDERS THE

1 FEASIBILITY AND COST OF IMPLEMENTING A STATE OPTION FOR HEALTH
2 CARE COVERAGE THAT LEVERAGES EXISTING STATE HEALTH CARE
3 INFRASTRUCTURE, INCREASES COMPETITION, IMPROVES QUALITY, AND
4 PROVIDES STABLE ACCESS TO AFFORDABLE HEALTH INSURANCE WILL
5 ENABLE POLICYMAKERS TO CONSIDER AND CREATE AN INNOVATIVE STATE
6 OPTION FOR HEALTH INSURANCE COVERAGE TO BENEFIT COLORADO.

7 (2) (a) ON OR BEFORE AUGUST 31, 2019, THE STATE DEPARTMENT
8 AND THE DIVISION SHALL DEVELOP AND SUBMIT A PROPOSAL TO THE JOINT
9 BUDGET COMMITTEE; THE PUBLIC HEALTH CARE AND HUMAN SERVICES
10 AND HEALTH, INSURANCE, AND ENVIRONMENT COMMITTEES OF THE HOUSE
11 OF REPRESENTATIVES; AND THE HEALTH AND HUMAN SERVICES
12 COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, THAT
13 INVESTIGATES AND EVALUATES THE COSTS, BENEFITS, AND FEASIBILITY OF
14 IMPLEMENTING A STATE OPTION FOR HEALTH CARE COVERAGE THAT
15 LEVERAGES EXISTING STATE INFRASTRUCTURE.

16 (b) IN ADDITION TO SUBMITTING THE PROPOSAL TO THE
17 COMMITTEES OF THE GENERAL ASSEMBLY LISTED IN SUBSECTION (2)(a) OF
18 THIS SECTION, THE STATE DEPARTMENT AND THE DIVISION SHALL PRESENT
19 A SUMMARY OF THE PROPOSAL AT THE ANNUAL JOINT MEETING OF THE
20 HOUSE AND SENATE COMMITTEES CONDUCTED DURING THE LEGISLATIVE
21 INTERIM PRIOR TO THE 2020 LEGISLATIVE SESSION PURSUANT TO SECTION
22 2-7-203.

23 (3) THE PROPOSAL MUST EVALUATE A STATE OPTION FOR HEALTH
24 CARE COVERAGE. THE PROPOSAL MUST IDENTIFY THE MOST EFFECTIVE
25 IMPLEMENTATION OF A STATE OPTION BASED ON AFFORDABILITY TO
26 CONSUMERS AT DIFFERENT INCOME LEVELS, ADMINISTRATIVE AND
27 FINANCIAL BURDEN TO THE STATE, EASE OF IMPLEMENTATION, AND

1 LIKELIHOOD OF SUCCESS IN MEETING THE OBJECTIVES DESCRIBED IN
2 SUBSECTION (1) OF THIS SECTION.

3 (4) IN DEVELOPING THE PROPOSAL, THE STATE DEPARTMENT AND
4 THE DIVISION SHALL:

5 (a) CONDUCT ACTUARIAL RESEARCH TO IDENTIFY THE POTENTIAL
6 COST OF PREMIUMS AND COST-SHARING TO PAY CLAIMS IN A PLAN THAT IS,
7 AT A MINIMUM, AN ESSENTIAL HEALTH-BENEFIT-COMPLIANT PLAN, AS
8 DEFINED IN SECTION 10-16-102 (22);

9 (b) EVALUATE PROVIDER RATES NECESSARY TO INCENTIVIZE
10 PARTICIPATION AND ENCOURAGE NETWORK ADEQUACY AND
11 HIGH-QUALITY HEALTH CARE DELIVERY;

12 (c) EVALUATE ELIGIBILITY CRITERIA FOR INDIVIDUALS AND SMALL
13 BUSINESSES TO PARTICIPATE;

14 (d) DETERMINE THE IMPACT, IF ANY, ON THE STATE BUDGET;

15 (e) DETERMINE THE IMPACT ON THE STABILITY OF THE INDIVIDUAL
16 MARKET, THE SMALL GROUP MARKET, AND THE COLORADO HEALTH
17 BENEFIT EXCHANGE CREATED IN ARTICLE 22 OF TITLE 10;

18 (f) DETERMINE WHETHER A STATE OPTION PLAN SHOULD BE
19 OFFERED ON OR OFF THE EXCHANGE;

20 (g) DETERMINE WHETHER THE STATE OPTION SHOULD BE OFFERED
21 THROUGH THE STATE DEPARTMENT, AND IDENTIFY THE EXPECTED IMPACT,
22 IF ANY, TO THE COLORADO MEDICAL ASSISTANCE PROGRAM ESTABLISHED
23 IN ARTICLES 4, 5, AND 6 OF THIS TITLE 25.5;

24 (h) IDENTIFY THE EXPECTED IMPACT, IF ANY, TO THE CHILDREN'S
25 BASIC HEALTH PLAN ESTABLISHED IN ARTICLE 8 OF THIS TITLE 25.5;

26 (i) INVESTIGATE FUNDING OPTIONS, INCLUDING BUT NOT LIMITED
27 TO STATE FUNDS AND FEDERAL FUNDS SECURED THROUGH AVAILABLE

1 WAIVERS;

2 (j) EVALUATE THE FEASIBILITY, LEGALITY, AND SCOPE OF ANY
3 NECESSARY FEDERAL WAIVERS; AND

4 (k) REVIEW INFORMATION RELATING TO ANY PILOT PROGRAM THAT
5 MAY BE OPERATED BY THE STATE PERSONNEL DIRECTOR PURSUANT TO
6 SECTION 24-50-620, AS ENACTED IN HOUSE BILL 19-____.

7 (5) IN DEVELOPING THE PROPOSAL, THE STATE DEPARTMENT AND
8 THE DIVISION SHALL CONSULT WITH THE COLORADO HEALTH BENEFIT
9 EXCHANGE AND SHALL ENGAGE IN A STAKEHOLDER PROCESS THAT
10 INCLUDES PUBLIC AND PRIVATE HEALTH INSURANCE EXPERTS, AS WELL AS
11 CONSUMERS, CONSUMER ADVOCATES, EMPLOYERS, PROVIDERS, AND
12 CARRIERS.

13 (6) THE PROPOSAL SUBMITTED TO THE COMMITTEES OF THE
14 GENERAL ASSEMBLY PURSUANT TO THIS SECTION MUST INCLUDE DETAILED
15 ANALYSIS OF THE PROPOSED STATE OPTION AND THE VARIOUS METHODS
16 FOR IMPLEMENTING THE PROPOSED STATE OPTION, AS WELL AS ANY
17 IDENTIFIED STATUTORY OR RULE CHANGES NECESSARY TO IMPLEMENT THE
18 PROPOSED STATE OPTION.

19 (7) (a) (I) AFTER THE PROPOSAL CREATED PURSUANT TO THIS
20 SECTION IS SUBMITTED AND PRESENTED TO THE COMMITTEES OF THE
21 GENERAL ASSEMBLY, THE STATE DEPARTMENT AND THE DIVISION SHALL
22 PREPARE AND SUBMIT ANY FEDERAL WAIVERS OR STATE PLAN
23 AMENDMENTS NECESSARY TO FUND AND IMPLEMENT THE STATE OPTION
24 FOR HEALTH CARE COVERAGE AS DESCRIBED IN THE PROPOSAL.

25 (II) THE STATE DEPARTMENT'S AND THE DIVISION'S REQUESTS FOR
26 FEDERAL AUTHORIZATION MUST SEEK TO OBTAIN THE MAXIMUM AMOUNT
27 OF FEDERAL MONEY AVAILABLE TO THE STATE AND TO PERSONS

1 PARTICIPATING IN THE STATE OPTION FOR HEALTH CARE COVERAGE.
2 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (7)(a)(I)
3 OF THIS SECTION TO THE CONTRARY, THE PREPARATION AND SUBMISSION
4 OF FEDERAL WAIVERS OR AMENDMENTS MUST BE DELAYED IF A MEMBER
5 OF THE GENERAL ASSEMBLY FILES A BILL BY THE REGULAR BILL FILING
6 DEADLINE OF THE HOUSE OF REPRESENTATIVES, AS SET FORTH IN RULE 23
7 OF THE JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES,
8 THAT SUBSTANTIALLY ALTERS THE FEDERAL AUTHORIZATION REQUIRED
9 PURSUANT TO THE PROPOSAL TO IMPLEMENT THE STATE OPTION FOR
10 HEALTH CARE COVERAGE, AND SUCH BILL IS NOT POSTPONED INDEFINITELY
11 IN THE FIRST COMMITTEE OF REFERENCE. THE DEPARTMENT'S AND THE
12 DIVISION'S WAIVER PREPARATION PROCESS SHALL RESUME AFTER THE BILL
13 IS POSTPONED INDEFINITELY OR, IF PASSED BY THE GENERAL ASSEMBLY,
14 THE REQUESTED WAIVERS OR STATE PLAN AMENDMENTS MUST REFLECT
15 THE REQUIREMENTS IN THE PASSED LEGISLATION.

16 **SECTION 2. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.