

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 19-0081.01 Brita Darling x2241

**HOUSE BILL 19-1004**

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**HOUSE SPONSORSHIP**

**Roberts and Catlin,**

**SENATE SPONSORSHIP**

**Donovan,**

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**House Committees**

Health & Insurance  
Appropriations

**Senate Committees**

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**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.**

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**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.

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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 HIGH HEALTH CARE  
7 COSTS AND LIMITED OR NO COMPETITION AMONG INSURANCE CARRIERS AS  
8 WELL AS OTHER MARKETPLACE FACTORS, AND COLORADANS CANNOT  
9 AFFORD THE HEALTH INSURANCE PREMIUMS AND OUT-OF-POCKET  
10 EXPENSES;

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

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

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

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

25 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT  
26 TASKING THE STATE DEPARTMENT AND THE DIVISION OF INSURANCE IN THE  
27 DEPARTMENT OF REGULATORY AGENCIES, REFERRED TO IN THIS SECTION

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

8 (2) (a) ON OR BEFORE NOVEMBER 15, 2019, THE STATE  
9 DEPARTMENT AND THE DIVISION SHALL DEVELOP AND SUBMIT A PROPOSAL  
10 TO THE JOINT BUDGET COMMITTEE; THE PUBLIC HEALTH CARE AND HUMAN  
11 SERVICES AND HEALTH AND INSURANCE COMMITTEES OF THE HOUSE OF  
12 REPRESENTATIVES; AND THE HEALTH AND HUMAN SERVICES COMMITTEE  
13 OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, FOR A STATE  
14 OPTION FOR HEALTH CARE COVERAGE THAT LEVERAGES EXISTING STATE  
15 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 DESCRIBE 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 PLAN SHOULD BE A  
21 FULLY AT-RISK, MANAGED CARE, FEE-FOR-SERVICE, OR ACCOUNTABLE  
22 CARE COLLABORATIVE PLAN, OR A COMBINATION THEREOF;

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

27 (i) IDENTIFY THE EXPECTED IMPACT, IF ANY, TO THE CHILDREN'S

1 BASIC HEALTH PLAN ESTABLISHED IN ARTICLE 8 OF THIS TITLE 25.5;

2 (j) INVESTIGATE FUNDING OPTIONS, INCLUDING BUT NOT LIMITED  
3 TO STATE FUNDS AND FEDERAL FUNDS SECURED THROUGH AVAILABLE  
4 WAIVERS;

5 (k) EVALUATE THE FEASIBILITY, LEGALITY, AND SCOPE OF ANY  
6 NECESSARY FEDERAL WAIVERS; AND

7 (l) REVIEW INFORMATION RELATING TO ANY PILOT PROGRAM THAT  
8 MAY BE OPERATED BY THE STATE PERSONNEL DIRECTOR PURSUANT TO  
9 SECTION 24-50-620, AS ENACTED IN SENATE BILL 19-004.

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

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

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

1 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

2 (II) THE STATE DEPARTMENT'S AND THE DIVISION'S REQUESTS FOR  
3 FEDERAL AUTHORIZATION MUST SEEK TO OBTAIN THE MAXIMUM AMOUNT  
4 OF FEDERAL MONEY AVAILABLE TO THE STATE AND TO PERSONS  
5 PARTICIPATING IN THE STATE OPTION FOR HEALTH CARE COVERAGE.

6 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (7)(a)(I)  
7 OF THIS SECTION TO THE CONTRARY, THE PREPARATION AND SUBMISSION  
8 OF FEDERAL WAIVERS OR AMENDMENTS MUST BE DELAYED IF A MEMBER  
9 OF THE GENERAL ASSEMBLY FILES A BILL DURING THE 2020 LEGISLATIVE  
10 SESSION BY THE REGULAR BILL FILING DEADLINE OF THE HOUSE OF  
11 REPRESENTATIVES, AS SET FORTH IN RULE 23 OF THE JOINT RULES OF THE  
12 SENATE AND HOUSE OF REPRESENTATIVES, THAT SUBSTANTIALLY ALTERS  
13 THE FEDERAL AUTHORIZATION REQUIRED PURSUANT TO THE PROPOSAL TO  
14 IMPLEMENT THE STATE OPTION FOR HEALTH CARE COVERAGE, AND SUCH  
15 BILL IS NOT POSTPONED INDEFINITELY IN THE FIRST COMMITTEE OF  
16 REFERENCE. THE DEPARTMENT'S AND THE DIVISION'S WAIVER  
17 PREPARATION PROCESS SHALL RESUME AFTER THE BILL IS POSTPONED  
18 INDEFINITELY OR, IF PASSED BY THE GENERAL ASSEMBLY, THE REQUESTED  
19 WAIVERS OR STATE PLAN AMENDMENTS MUST REFLECT THE  
20 REQUIREMENTS IN THE PASSED LEGISLATION.

21 (c) SUBJECT TO THE CONDITIONS DESCRIBED IN SUBSECTION (7)(b)  
22 OF THIS SECTION, THE STATE DEPARTMENT AND THE DIVISION MAY  
23 PROMULGATE RULES, AS NECESSARY, FOR THE PREPARATION AND  
24 SUBMISSION OF FEDERAL WAIVERS OR STATE PLAN AMENDMENTS  
25 NECESSARY TO FUND AND IMPLEMENT THE PROPOSAL.

26 **SECTION 2. Safety clause.** The general assembly hereby finds,

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