

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

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 19-0662.01 Kristen Forrestal x4217

**HOUSE BILL 19-1176**

**HOUSE SPONSORSHIP**

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**House Committees**

Health & Insurance  
Legislative Council  
Appropriations

**Senate Committees**

State, Veterans, & Military Affairs  
Appropriations

SENATE  
Amended 3rd Reading  
May 3, 2019

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**A BILL FOR AN ACT**

101      **CONCERNING THE ENACTMENT OF THE "HEALTH CARE COST SAVINGS**  
102            **ACT OF 2019" THAT CREATES A TASK FORCE TO ANALYZE**  
103            **HEALTH CARE FINANCING SYSTEMS IN ORDER TO GIVE THE**  
104            **GENERAL ASSEMBLY FINDINGS REGARDING THE SYSTEMS' COSTS**  
105            **OF PROVIDING ADEQUATE HEALTH CARE TO RESIDENTS OF THE**  
106            **STATE, AND, IN CONNECTION THEREWITH, MAKING AN**  
107            **APPROPRIATION.**

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SENATE  
Amended 2nd Reading  
May 2, 2019

HOUSE  
3rd Reading Unamended  
April 23, 2019

**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>.)*

HOUSE  
Amended 2nd Reading  
April 22, 2019

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.*

The bill creates the health care cost analysis task force (task force). The president of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives shall each appoint 2 legislative members to the task force. The governor shall appoint 9 members to the task force. The executive directors of the departments of human services, public health and environment, and health care policy and financing, or their designees, also serve on the task force.

The task force is required to issue a request for proposals and select an analyst to complete a health care cost analysis of 4 health care financing systems. The health care financing systems to be analyzed are:

- ! The current health care financing system, in which residents receive health care coverage from private and public insurance carriers or are uninsured;
- ! A public option system in which health benefit plans are sold through, and revenues and premiums are received from, the Colorado health benefit exchange, with additional funding as necessary through the general fund;
- ! A multi-payer universal health care financing system, in which competing insurance carriers or health maintenance organizations receive payments from a public financing authority; and
- ! A publicly financed and privately delivered universal health care system that directly compensates providers.

The analyst is required to use the same specified criteria when conducting the analysis of each health care financing system.

The task force is required to report the findings of the analyst to the general assembly.

The task force may seek, accept, and expend gifts, grants, and donations for the analysis. The general assembly may appropriate money to the health care cost analysis cash fund for the purposes of the task force, the analysis, and reporting requirements.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds and declares that:

4 (a) Health care costs continue to rise at unsustainable levels that  
5 exceed the rate of economic growth in the United States and that require  
6 increasingly large portions of the state's budget;

1 (b) Recent polls of Americans from all demographics indicate that  
2 access to affordable health care is a major concern for a substantial  
3 majority of those polled;

4 (c) Colorado's rural residents pay disproportionately higher  
5 premiums than urban residents for health insurance and often lack access  
6 to adequate health care services;

7 (d) According to a recent Colorado Health Institute study, there  
8 are approximately three hundred fifty thousand Coloradans without health  
9 insurance, and there are approximately eight hundred fifty thousand  
10 Coloradans who are underinsured in that their health insurance has high  
11 deductibles or other coinsurance requirements that result in unaffordable  
12 out-of-pocket expenditures; and

13 (e) Coloradans need facts to determine the most cost-effective  
14 method of financing health care that ensures that all Coloradans have  
15 access to adequate and affordable health care.

16 **SECTION 2.** In Colorado Revised Statutes, **add** article 11 to title  
17 25.5 as follows:

18 **ARTICLE 11**

19 **Health Care Cost Savings Act**

20 **25.5-11-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 11 IS  
21 THE "HEALTH CARE COST SAVINGS ACT OF 2019".

22 **25.5-11-102. Definitions.** AS USED IN THIS ARTICLE 11, UNLESS  
23 THE CONTEXT OTHERWISE REQUIRES:

24 ==  
25 (1) "FEDERAL ACT" MEANS THE FEDERAL "PATIENT PROTECTION  
26 AND AFFORDABLE CARE ACT", PUB.L. 111-148, AS AMENDED BY THE  
27 FEDERAL "HEALTH CARE AND EDUCATION RECONCILIATION ACT OF

1 2010", PUB.L. 111-152.

2 (2) "HEALTH BENEFIT EXCHANGE" MEANS THE COLORADO HEALTH  
3 BENEFIT EXCHANGE CREATED IN ARTICLE 22 OF TITLE 10.

4 (3) "MEDICAID" MEANS THE PROGRAM ESTABLISHED PURSUANT TO  
5 THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF  
6 THIS TITLE 25.5;

7 (4) "MEDICARE" MEANS FEDERAL INSURANCE OR ASSISTANCE AS  
8 PROVIDED BY TITLE XVIII OF THE FEDERAL "SOCIAL SECURITY ACT", AS  
9 AMENDED, 42 U.S.C. SEC. 1395 ET SEQ.

10 (5) "PUBLIC OPTION SYSTEM" MEANS A HEALTH CARE SYSTEM  
11 UNDER WHICH EVERY RESIDENT OF THE STATE IS ABLE TO PURCHASE A  
12 HEALTH BENEFIT PLAN MANAGED BY THE STATE OR THROUGH THE HEALTH  
13 BENEFIT EXCHANGE.

14 (6) "TASK FORCE" MEANS THE HEALTH CARE COST ANALYSIS TASK  
15 FORCE CREATED IN SECTION 25.5-11-103.

16 ==

17 (7) "UNIVERSAL HEALTH CARE" MEANS A HEALTH CARE SYSTEM  
18 UNDER WHICH EVERY RESIDENT OF THE STATE HAS ACCESS TO ADEQUATE  
19 AND AFFORDABLE HEALTH CARE.

20 **25.5-11-103. Health care cost analysis task force - creation -**  
21 **membership - duties - reports.** (1) THERE IS CREATED IN THE STATE  
22 DEPARTMENT THE HEALTH CARE COST ANALYSIS TASK FORCE FOR THE  
23 PURPOSE OF DEVELOPING COMPREHENSIVE FISCAL ANALYSES OF CURRENT  
24 AND ALTERNATIVE HEALTH CARE FINANCING SYSTEMS.

25 (2) (a) ON OR BEFORE SEPTEMBER 1, 2019, THE PRESIDENT OF THE  
26 SENATE, THE MINORITY LEADER OF THE SENATE, THE SPEAKER OF THE  
27 HOUSE OF REPRESENTATIVES, AND THE MINORITY LEADER OF THE HOUSE

1 OF REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER OF THE GENERAL  
2 ASSEMBLY TO THE TASK FORCE.

3 (b) ON OR BEFORE SEPTEMBER 1, 2019, THE GOVERNOR SHALL  
4 APPOINT FOUR MEMBERS TO THE TASK FORCE. IN MAKING THE  
5 APPOINTMENTS, THE GOVERNOR SHALL ENSURE THAT THE APPOINTEES:

6 (I) HAVE A DEMONSTRATED ABILITY TO REPRESENT THE INTERESTS  
7 OF ALL COLORADANS AND, REGARDLESS OF THE APPOINTEES'  
8 BACKGROUNDS OR AFFILIATIONS, ARE ABLE TO PRESENT OBJECTIVE,  
9 NONPARTISAN, FACTUAL, AND EVIDENCE-BASED IDEAS AND TO  
10 OBJECTIVELY ADVISE THE ANALYST CONCERNING THE HEALTH CARE  
11 FINANCING SYSTEMS; AND

12 (II) REFLECT THE SOCIAL, DEMOGRAPHIC, AND GEOGRAPHIC  
13 DIVERSITY OF THE STATE.

14 (c) THE EXECUTIVE DIRECTORS OF THE DEPARTMENT OF HUMAN  
15 SERVICES, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AND  
16 THE STATE DEPARTMENT, THE COMMISSIONER OF INSURANCE, AND THE  
17 CHIEF EXECUTIVE OFFICER OF THE HEALTH BENEFIT EXCHANGE, OR THEIR  
18 DESIGNEES, SHALL SERVE ON THE TASK FORCE.

19 (3) THE TASK FORCE SHALL SELECT A CHAIR AND VICE-CHAIR FROM  
20 AMONG ITS MEMBERS. A MEMBER OF THE TASK FORCE APPOINTED  
21 PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION MAY BE REMOVED BY  
22 A MAJORITY VOTE OF THE REMAINING MEMBERS OF THE TASK FORCE. IF A  
23 VACANCY OCCURS ON THE TASK FORCE, THE ORIGINAL APPOINTING  
24 AUTHORITY SHALL APPOINT A NEW MEMBER TO FILL THE VACANCY.

25 (4) NONLEGISLATIVE TASK FORCE MEMBERS ARE NOT ENTITLED TO  
26 RECEIVE PER DIEM OR OTHER COMPENSATION FOR PERFORMANCE OF  
27 SERVICES FOR THE TASK FORCE BUT MAY BE REIMBURSED FOR ACTUAL

1 AND NECESSARY EXPENSES WHILE ENGAGED IN THE PERFORMANCE OF  
2 OFFICIAL DUTIES OF THE TASK FORCE. LEGISLATIVE TASK FORCE MEMBERS  
3 ARE REIMBURSED PURSUANT TO SECTION 2-2-307 (3).

4 (5) THE TASK FORCE SHALL:

5 (a) ON OR BEFORE OCTOBER 1, 2019, ISSUE A COMPETITIVE  
6 SOLICITATION UNDER THE "PROCUREMENT CODE", ARTICLES 101 TO 112  
7 OF TITLE 24, IN ORDER TO SELECT AN ANALYST TO PROVIDE A DETAILED  
8 ANALYSIS OF FISCAL COSTS AND OTHER IMPACTS OF THE HEALTH CARE  
9 FINANCING SYSTEMS SPECIFIED IN THIS ARTICLE 11;

10 (b) BY MAJORITY VOTE, SELECT AND CONTRACT WITH AN ANALYST  
11 WHO:

12 (I) HAS EXPERIENCE CONDUCTING HEALTH CARE COST ANALYSES;

13 (II) IS FAMILIAR WITH DIFFERENT METHODOLOGIES USED; AND

14 (III) IS, IN THE OPINION OF THE TASK FORCE, EMPLOYED BY AN  
15 ORGANIZATION THAT IS NONPARTISAN AND UNBIASED;

16 (c) ON OR BEFORE JANUARY 1, 2021, SUBMIT A PRELIMINARY  
17 REPORT TO THE GENERAL ASSEMBLY THAT CONTAINS THE ANALYST'S  
18 METHODOLOGY FOR STUDYING THE HEALTH CARE FINANCING SYSTEMS  
19 SPECIFIED IN THIS ARTICLE 11; AND

20 (d) ON OR BEFORE SEPTEMBER 1, 2021, DELIVER TO THE GENERAL  
21 ASSEMBLY A FINAL REPORT OF THE TASK FORCE'S FINDINGS RECEIVED  
22 FROM THE ANALYST SELECTED PURSUANT TO THIS SECTION.

23 (6) IN CARRYING OUT ITS DUTIES PURSUANT TO THIS SECTION, THE  
24 TASK FORCE MAY HIRE STAFF AND CONSULTANTS FOR THE PURPOSES OF  
25 THIS ARTICLE 11.

26 (7) THE TASK FORCE IS SUBJECT TO ARTICLES 6 AND 72 OF TITLE  
27 24.

1           **25.5-11-104. Analyst - duties.** (1) THE ANALYST SELECTED  
2 PURSUANT TO SECTION 25.5-11-103 (5) SHALL HOST AT LEAST THREE  
3 STAKEHOLDER MEETINGS IN DIFFERENT GEOGRAPHIC REGIONS OF THE  
4 STATE TO DETERMINE THE METHODOLOGY TO BE USED TO STUDY THE  
5 HEALTH CARE FINANCING SYSTEMS SPECIFIED IN SUBSECTION (2) OF THIS  
6 SECTION.

7           (2) THE ANALYST SHALL ANALYZE, AT A MINIMUM, THE  
8 FOLLOWING HEALTH CARE SYSTEMS:

9           (a) THE CURRENT COLORADO HEALTH CARE FINANCING SYSTEM IN  
10 WHICH RESIDENTS RECEIVE HEALTH CARE COVERAGE FROM PRIVATE  
11 INSURERS AND PUBLIC PROGRAMS OR ARE UNINSURED;

12           (b) A MULTI-PAYER UNIVERSAL HEALTH CARE SYSTEM IN WHICH  
13 ALL RESIDENTS OF COLORADO ARE COVERED UNDER A PLAN WITH A  
14 MANDATED SET OF BENEFITS THAT IS PUBLICLY AND PRIVATELY FUNDED  
15 AND ALSO PAID FOR BY EMPLOYER AND EMPLOYEE CONTRIBUTIONS; AND

16           (c) A PUBLICLY FINANCED AND PRIVATELY DELIVERED UNIVERSAL  
17 HEALTH CARE SYSTEM THAT DIRECTLY COMPENSATES PROVIDERS.

18           (3) THE ANALYST SHALL PREPARE A DETAILED ANALYSIS OF EACH  
19 HEALTH CARE FINANCING SYSTEM. EACH ANALYSIS MAY:

20           (a) INCLUDE THE FIRST, SECOND, FIFTH, AND TENTH YEAR COSTS;

21           (b) SET COMPENSATION FOR LICENSED HEALTH CARE PROVIDERS  
22 AT LEVELS THAT RESULT IN NET INCOME THAT WILL ATTRACT AND RETAIN  
23 NECESSARY HEALTH CARE PROVIDERS;

24           (c) INCLUDE HEALTH CARE BENEFITS REIMBURSED AT ONE  
25 HUNDRED TWENTY PERCENT OF MEDICARE RATES FOR RESIDENTS OF  
26 COLORADO WHO ARE TEMPORARILY LIVING OUT OF STATE;

27           (d) DEFINE, DESCRIBE, AND QUANTIFY THE NUMBER OF

1 UNINSURED, UNDERINSURED, AND AT-RISK INSURED INDIVIDUALS IN EACH  
2 SYSTEM;

3 (e) INCLUDE IN EACH SYSTEM THE PROVISION OF BENEFITS THAT  
4 ARE THE SAME AS THE BENEFITS REQUIRED BY THE FEDERAL ACT;

5 (f) IDENTIFY HEALTH EXPENDITURES BY PAYER;

6 (g) IDENTIFY OUT-OF-POCKET CHARGES INCLUDING COINSURANCE,  
7 DEDUCTIBLES, AND COPAYMENTS;

8 (h) DESCRIBE HOW THE SYSTEM PROVIDES THE FOLLOWING:

9 (I) SERVICES REQUIRED BY THE FEDERAL ACT;

10 (II) MEDICARE-QUALIFIED SERVICES;

11 (III) MEDICAID SERVICES AND BENEFITS EQUAL TO OR GREATER  
12 THAN CURRENT SERVICES AND BENEFITS AND WITH EQUIVALENT PROVIDER  
13 COMPENSATION RATES;

14 (IV) MEDICAID SERVICES AND BENEFITS FOR INDIVIDUALS WITH  
15 DISABILITIES WHO DO NOT MEET ASSET OR INCOME QUALIFICATIONS, WHO  
16 HAVE THE RIGHT TO MANAGE THEIR OWN CARE, AND WHO HAVE THE RIGHT  
17 TO DURABLE MEDICAL EQUIPMENT;

18 (V) COVERAGE FOR WOMEN'S HEALTH CARE AND REPRODUCTIVE  
19 SERVICES;

20 (VI) VISION, HEARING, AND DENTAL SERVICES;

21 (VII) ACCESS TO PRIMARY SPECIALTY HEALTH CARE SERVICES IN  
22 RURAL COLORADO AND OTHER UNDERSERVED AREAS OR POPULATIONS;

23 AND

24 (VIII) BEHAVIORAL, MENTAL HEALTH, AND SUBSTANCE USE  
25 DISORDERS SERVICES;

26 (i) PROVIDE A REVIEW OF EXISTING LITERATURE REGARDING THE  
27 COLLATERAL COSTS TO SOCIETY OF HIGH HEALTH CARE COSTS, WHICH MAY

1 INCLUDE:

2 (I) THE COST OF EMERGENCY ROOM, URGENT CARE, AND INTENSIVE  
3 CARE TREATMENT FOR INDIVIDUALS WHO ARE UNABLE TO AFFORD  
4 PREVENTIVE OR PRIMARY CARE IN LOWER-COST SETTINGS;

5 (II) THE COST IN LOST TIME FROM WORK, DECREASED  
6 PRODUCTIVITY, OR UNEMPLOYMENT FOR INDIVIDUALS WHO, AS A RESULT  
7 OF BEING UNABLE TO AFFORD PREVENTIVE OR PRIMARY CARE, DEVELOP A  
8 MORE SEVERE, URGENT, OR DISABLING CONDITION;

9 (III) THE COST OF BANKRUPTCIES CAUSED BY UNAFFORDABLE  
10 MEDICAL EXPENSES, INCLUDING THE COST TO THE INDIVIDUALS WHO ARE  
11 FORCED TO FILE FOR BANKRUPTCY AND THE COST TO HEALTH CARE  
12 PROVIDERS THAT DO NOT GET PAID AS A RESULT;

13 (IV) THE COSTS TO AND EFFECTS ON INDIVIDUALS WHO DO NOT  
14 FILE BANKRUPTCIES BECAUSE OF MEDICAL EXPENSES AND WHO ARE  
15 FINANCIALLY DEPLETED BY THESE COSTS;

16 (V) MEDICAL COSTS CAUSED BY THE DIVERSION OF FUNDS FROM  
17 OTHER HEALTH DETERMINANTS, SUCH AS EDUCATION, SAFE FOOD SUPPLY,  
18 OR SAFE WATER SUPPLY; AND

19 (VI) OTHER COLLATERAL COSTS AS DETERMINED BY THE TASK  
20 FORCE.

21 (4) THE ANALYST SHALL MODEL SUFFICIENT AND FAIR FUNDING  
22 SYSTEMS THAT MAY BE VIABLE FOR EACH SYSTEM STUDIED PURSUANT TO  
23 THIS SECTION THAT MAY RAISE REVENUE FROM:

24 (a) THE GENERAL FUND;

25 (b) FEDERAL WAIVERS AVAILABLE UNDER MEDICAID AND THE  
26 FEDERAL ACT, AS APPROPRIATE FOR EACH SYSTEM STUDIED;

27 (c) PROGRESSIVE INCOME TAXES;

1 (d) PAYROLL TAXES THAT MAY BE SPLIT BETWEEN EMPLOYER AND  
2 EMPLOYEE;

3 (e) OTHER TAXES; AND

4 (f) PREMIUMS BASED ON INCOME.

5 (5) THE ANALYST SHALL CARRY OUT THE DUTIES OF THIS SECTION  
6 TO THE EXTENT FEASIBLE WITH FUNDING PROVIDED THROUGH MONEYS  
7 APPROPRIATED BY THE GENERAL ASSEMBLY AND WITH GIFTS, GRANTS,  
8 AND DONATIONS AND AS PRIORITIZED BY THE TASK FORCE.

9 **25.5-11-105. Appropriation - gifts, grants, and donations.**

10 (1) FOR EACH FISCAL YEAR 2019-20 AND 2020-21, THE GENERAL  
11 ASSEMBLY MAY APPROPRIATE ONE HUNDRED THOUSAND DOLLARS TO THE  
12 STATE DEPARTMENT FOR THE IMPLEMENTATION OF THIS ARTICLE 11.

13 (2) THE STATE DEPARTMENT AND THE TASK FORCE MAY SEEK,  
14 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS, INCLUDING IN-KIND  
15 DONATIONS, FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF  
16 THIS ARTICLE 11.

17 (3) THE TASK FORCE MAY USE MONEY AVAILABLE PURSUANT TO  
18 SUBSECTIONS (1) AND (2) OF THIS SECTION FOR THE IMPLEMENTATION OF  
19 THIS ARTICLE 11, TO:

20 (a) COMPENSATE ANY NECESSARY STAFF AND CONSULTANTS HIRED  
21 PURSUANT TO SECTION 25.5-11-103 (6);

22 (b) PAY THE ANALYST SELECTED PURSUANT TO SECTION  
23 25.5-11-103 (5) FOR THE COSTS ASSOCIATED WITH THE DEVELOPMENT OF  
24 THE METHODOLOGY AND ANALYSES CONDUCTED PURSUANT TO SECTION  
25 25.5-11-104; AND

26 (c) REIMBURSE THE TASK FORCE MEMBERS' ACTUAL AND  
27 NECESSARY EXPENSES IN PERFORMING THEIR DUTIES.

1           **25.5-11-106. Repeal of article.** THIS ARTICLE 11 IS REPEALED,  
2 EFFECTIVE SEPTEMBER 1, 2022.

3           **SECTION 3. Appropriation.** (1) For the 2019-20 state fiscal  
4 year, \$92,649 is appropriated to the department of health care policy and  
5 financing. This appropriation is from the general fund. To implement this  
6 act, the department may use this appropriation as follows:

- 7           (a) \$5,200 for operating expenses; and
- 8           (b) \$87,449 for general professional services and special projects.

9           (2) The general assembly has determined that staffing for the  
10 health care cost analysis task force created in section 25.5-11-103, C.R.S.,  
11 can be implemented within existing appropriations, and therefore no  
12 separate appropriation of state money is necessary to carry out this  
13 purpose of the act.

14           (3) For the 2019-20 state fiscal year, \$7,351 is appropriated to the  
15 legislative department for use by the general assembly. This appropriation  
16 is from the general fund. To implement this act, the general assembly may  
17 use this appropriation for per diem payments.

18           **SECTION 4. Safety clause.** The general assembly hereby finds,  
19 determines, and declares that this act is necessary for the immediate  
20 preservation of the public peace, health, and safety.