

HOUSE COMMITTEE OF REFERENCE REPORT

March 27, 2019

Chair of Committee

Date

Committee on Health & Insurance.

After consideration on the merits, the Committee recommends the following:

HB19-1176 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

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

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

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

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

14 (d) According to a recent Colorado Health Institute study, there
15 are approximately three hundred fifty thousand Coloradans without health
16 insurance, and there are approximately eight hundred fifty thousand
17 Coloradans who are underinsured in that their health insurance has high
18 deductibles or other coinsurance requirements that result in unaffordable
19 out-of-pocket expenditures; and

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

23 **SECTION 2.** In Colorado Revised Statutes, **add** article 11 to title

1 25.5 as follows:

2 **ARTICLE 11**

3 **Health Care Cost Savings Act**

4 **25.5-11-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 11 IS
5 THE "HEALTH CARE COST SAVINGS ACT OF 2019".

6 **25.5-11-102. Definitions.** AS USED IN THIS ARTICLE 11, UNLESS
7 THE CONTEXT OTHERWISE REQUIRES:

8 (1) "AT-RISK INSURED" MEANS A RESIDENT OF COLORADO WHO IS
9 NOT UNDERINSURED BECAUSE THE INDIVIDUAL HAS FEW MEDICAL NEEDS
10 BUT WHO WOULD BE UNDERINSURED IF THE INDIVIDUAL DEVELOPED A
11 SERIOUS MEDICAL CONDITION.

12 (2) "FEDERAL ACT" MEANS THE FEDERAL "PATIENT PROTECTION
13 AND AFFORDABLE CARE ACT", PUB.L. 111-148, AS AMENDED BY THE
14 FEDERAL "HEALTH CARE AND EDUCATION RECONCILIATION ACT OF
15 2010", PUB.L. 111-152.

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

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

21 (5) "MEDICARE" MEANS FEDERAL INSURANCE OR ASSISTANCE AS
22 PROVIDED BY TITLE XVIII OF THE FEDERAL "SOCIAL SECURITY ACT", AS
23 AMENDED, 42 U.S.C. SEC. 1395 ET SEQ.

24 (6) "PUBLIC OPTION SYSTEM" MEANS A HEALTH CARE SYSTEM
25 UNDER WHICH EVERY RESIDENT OF THE STATE IS ABLE TO PURCHASE A
26 HEALTH BENEFIT PLAN MANAGED BY THE STATE OR THROUGH THE HEALTH
27 BENEFIT EXCHANGE.

28 (7) "TASK FORCE" MEANS THE HEALTH CARE COST ANALYSIS TASK
29 FORCE CREATED IN SECTION 25.5-11-103.

30 (8) "UNDERINSURED" MEANS A PERSON WHO HAS HEALTH
31 INSURANCE BUT HAS HEALTH CARE COSTS, INCLUDING HIGH DEDUCTIBLES
32 AND OUT-OF-POCKET EXPENSES, THAT EXCEED TEN PERCENT OF THE
33 PERSON'S PERSONAL INCOME.

34 (9) "UNIVERSAL HEALTH CARE" MEANS A HEALTH CARE SYSTEM
35 UNDER WHICH EVERY RESIDENT OF THE STATE HAS ACCESS TO ADEQUATE
36 AND AFFORDABLE HEALTH CARE.

37 **25.5-11-103. Health care cost analysis task force - creation -**
38 **membership - duties - reports.** (1) THERE IS CREATED IN THE STATE
39 DEPARTMENT THE HEALTH CARE COST ANALYSIS TASK FORCE FOR THE
40 PURPOSE OF DEVELOPING COMPREHENSIVE FISCAL ANALYSES OF CURRENT
41 AND ALTERNATIVE HEALTH CARE FINANCING SYSTEMS.

1 (2) (a) ON OR BEFORE SEPTEMBER 1, 2019, THE PRESIDENT OF THE
2 SENATE, THE MINORITY LEADER OF THE SENATE, THE SPEAKER OF THE
3 HOUSE OF REPRESENTATIVES, AND THE MINORITY LEADER OF THE HOUSE
4 OF REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER OF THE GENERAL
5 ASSEMBLY TO THE TASK FORCE.

6 (b) ON OR BEFORE SEPTEMBER 1, 2019, THE GOVERNOR SHALL
7 APPOINT EIGHT MEMBERS TO THE TASK FORCE. IN MAKING THE
8 APPOINTMENTS, THE GOVERNOR SHALL ENSURE THAT THE APPOINTEES:

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

15 (II) REFLECT THE SOCIAL, DEMOGRAPHIC, AND GEOGRAPHIC
16 DIVERSITY OF THE STATE.

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

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

28 (4) NONLEGISLATIVE TASK FORCE MEMBERS ARE NOT ENTITLED TO
29 RECEIVE PER DIEM OR OTHER COMPENSATION FOR PERFORMANCE OF
30 SERVICES FOR THE TASK FORCE BUT MAY BE REIMBURSED FOR ACTUAL
31 AND NECESSARY EXPENSES WHILE ENGAGED IN THE PERFORMANCE OF
32 OFFICIAL DUTIES OF THE TASK FORCE. LEGISLATIVE TASK FORCE MEMBERS
33 ARE REIMBURSED PURSUANT TO SECTION 2-2-307 (3).

34 (5) THE TASK FORCE SHALL:

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

40 (b) BY MAJORITY VOTE, SELECT AND CONTRACT WITH AN ANALYST
41 WHO:

1 (I) HAS EXPERIENCE CONDUCTING HEALTH CARE COST ANALYSES;
2 (II) IS FAMILIAR WITH DIFFERENT METHODOLOGIES USED; AND
3 (III) IS, IN THE OPINION OF THE TASK FORCE, EMPLOYED BY AN
4 ORGANIZATION THAT IS NONPARTISAN AND UNBIASED;

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

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

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

15 (7) THE TASK FORCE IS SUBJECT TO ARTICLES 6 AND 72 OF TITLE
16 24.

17 **25.5-11-104. Analyst - duties.** (1) THE ANALYST SELECTED
18 PURSUANT TO SECTION 25.5-11-103 (5) SHALL HOST AT LEAST THREE
19 STAKEHOLDER MEETINGS IN DIFFERENT GEOGRAPHIC REGIONS OF THE
20 STATE TO DETERMINE THE METHODOLOGY TO BE USED TO STUDY THE
21 HEALTH CARE FINANCING SYSTEMS SPECIFIED IN SUBSECTION (2) OF THIS
22 SECTION.

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

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

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

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

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

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

37 (b) SET COMPENSATION FOR LICENSED HEALTH CARE PROVIDERS
38 AT LEVELS THAT RESULT IN NET INCOME THAT WILL ATTRACT AND RETAIN
39 NECESSARY HEALTH CARE PROVIDERS;

40 (c) INCLUDE HEALTH CARE BENEFITS REIMBURSED AT ONE
41 HUNDRED TWENTY PERCENT OF MEDICARE RATES FOR RESIDENTS OF

1 COLORADO WHO ARE TEMPORARILY LIVING OUT OF STATE;
2 (d) DESCRIBE AND QUANTIFY THE NUMBER OF UNINSURED,
3 UNDERINSURED, AND AT-RISK INSURED INDIVIDUALS IN EACH SYSTEM;
4 (e) INCLUDE IN EACH SYSTEM THE PROVISION OF BENEFITS THAT
5 ARE THE SAME AS THE BENEFITS REQUIRED BY THE FEDERAL ACT;
6 (f) IDENTIFY HEALTH EXPENDITURES BY PAYER;
7 (g) IDENTIFY OUT-OF-POCKET CHARGES INCLUDING COINSURANCE,
8 DEDUCTIBLES, AND COPAYMENTS;
9 (h) DESCRIBE HOW THE SYSTEM PROVIDES THE FOLLOWING:
10 (I) SERVICES REQUIRED BY THE FEDERAL ACT;
11 (II) MEDICARE-QUALIFIED SERVICES;
12 (III) MEDICAID SERVICES AND BENEFITS EQUAL TO OR GREATER
13 THAN CURRENT SERVICES AND BENEFITS AND WITH EQUIVALENT PROVIDER
14 COMPENSATION RATES;
15 (IV) MEDICAID SERVICES AND BENEFITS FOR INDIVIDUALS WITH
16 DISABILITIES WHO DO NOT MEET ASSET OR INCOME QUALIFICATIONS, WHO
17 HAVE THE RIGHT TO MANAGE THEIR OWN CARE, AND WHO HAVE THE RIGHT
18 TO DURABLE MEDICAL EQUIPMENT;
19 (V) COVERAGE FOR WOMEN'S HEALTH CARE AND REPRODUCTIVE
20 SERVICES;
21 (VI) VISION, HEARING, AND DENTAL SERVICES;
22 (VII) ACCESS TO PRIMARY SPECIALTY HEALTH CARE SERVICES IN
23 RURAL COLORADO AND OTHER UNDERSERVED AREAS OR POPULATIONS;
24 AND
25 (VIII) BEHAVIORAL, MENTAL HEALTH, AND SUBSTANCE USE
26 DISORDERS SERVICES;
27 (i) PROVIDE A REVIEW OF EXISTING LITERATURE REGARDING THE
28 COLLATERAL COSTS TO SOCIETY OF HIGH HEALTH CARE COSTS, WHICH MAY
29 INCLUDE:
30 (I) THE COST OF EMERGENCY ROOM, URGENT CARE, AND INTENSIVE
31 CARE TREATMENT FOR INDIVIDUALS WHO ARE UNABLE TO AFFORD
32 PREVENTIVE OR PRIMARY CARE IN LOWER-COST SETTINGS;
33 (II) THE COST IN LOST TIME FROM WORK, DECREASED
34 PRODUCTIVITY, OR UNEMPLOYMENT FOR INDIVIDUALS WHO, AS A RESULT
35 OF BEING UNABLE TO AFFORD PREVENTIVE OR PRIMARY CARE, DEVELOP A
36 MORE SEVERE, URGENT, OR DISABLING CONDITION;
37 (III) THE COST OF BANKRUPTCIES CAUSED BY UNAFFORDABLE
38 MEDICAL EXPENSES, INCLUDING THE COST TO THE INDIVIDUALS WHO ARE
39 FORCED TO FILE FOR BANKRUPTCY AND THE COST TO HEALTH CARE
40 PROVIDERS THAT DO NOT GET PAID AS A RESULT;
41 (IV) THE COSTS TO AND EFFECTS ON INDIVIDUALS WHO DO NOT

1 FILE BANKRUPTCIES BECAUSE OF MEDICAL EXPENSES AND WHO ARE
2 FINANCIALLY DEPLETED BY THESE COSTS;

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

6 (VI) OTHER COLLATERAL COSTS AS DETERMINED BY THE TASK
7 FORCE.

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

11 (a) THE GENERAL FUND;

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

14 (c) A COMBINATION OF TWO OR MORE OF:

15 (I) PROGRESSIVE INCOME TAXES;

16 (II) PAYROLL TAXES THAT MAY BE SPLIT BETWEEN EMPLOYER AND
17 EMPLOYEE; AND

18 (III) OTHER TAXES, INCLUDING INCOME, CIGARETTE, ALCOHOL,
19 MARIJUANA, AND SUGARY DRINK TAXES, AND PREMIUMS BASED ON
20 INCOME.

21 **25.5-11-105. Appropriation - gifts, grants, and donations.**

22 (1) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY TO THE STATE
23 DEPARTMENT FOR THE IMPLEMENTATION OF THIS ARTICLE 11.

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

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

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

33 (b) PAY THE ANALYST SELECTED PURSUANT TO SECTION
34 25.5-11-103 (5) FOR THE COSTS ASSOCIATED WITH THE DEVELOPMENT OF
35 THE METHODOLOGY AND ANALYSES CONDUCTED PURSUANT TO SECTION
36 25.5-11-104; AND

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

39 **25.5-11-106. Repeal of article.** THIS ARTICLE 11 IS REPEALED,
40 EFFECTIVE SEPTEMBER 1, 2022.

1 **SECTION 3. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety."

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