

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0856.01 Richard Sweetman x4333

SENATE BILL 20-127

SENATE SPONSORSHIP

Smallwood and Todd,

HOUSE SPONSORSHIP

(None),

Senate Committees
Health & Human Services

House Committees

A BILL FOR AN ACT

101 CONCERNING CREATION OF THE HEALTH BENEFIT PLAN DESIGN
102 CHANGE REVIEW COMMITTEE TO CONDUCT ACTUARIAL
103 REVIEWS OF LEGISLATION AFFECTING HEALTH BENEFIT PLAN
104 REQUIREMENTS.

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 creates the health benefit plan design change review committee (committee) in the division of insurance to review introduced bills that impose new requirements on, or amend existing requirements of,

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.

health benefit plans. For any such bill, the committee shall conduct an actuarial review of the near-term effects of the bill, including:

- ! An estimate of the number of Colorado residents who will be directly affected by the bill;
- ! Estimates of changes in the rates of utilization of specific health care services that may result from the bill;
- ! Estimates concerning any changes in consumer cost sharing that would result from the bill;
- ! The financial impact, if any, of the bill on group benefit plans offered under the "State Employees Group Benefits Act", regardless of whether the bill makes any amendment to that act;
- ! The financial impact, if any, of the bill on medical assistance programs under the "Colorado Medical Assistance Act", regardless of whether the bill makes any amendment to that act; and
- ! The financial impact, if any, of the bill on small-, medium-, and large-sized business employers.

The bill authorizes the commissioner of insurance to promulgate rules as necessary for the operation of the committee.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-16-152 as
3 follows:

4 **10-16-152. Health benefit plan design change review**
5 **committee - legislative declaration - creation - membership - duties**
6 **- chairs of committees of reference to request actuarial reviews -**
7 **rules.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

8 (a) THE ENACTMENT OF NEW LAWS CONCERNING REQUIRED
9 COVERAGES IN, OR MANAGEMENT OF BENEFITS UNDER, HEALTH BENEFIT
10 PLANS PRESENTS SERIOUS POLICY CONCERNS, INCLUDING THE RISK OF
11 INCREASING PREMIUMS AND THE COST OF HEALTH CARE SERVICES TO
12 HEALTH CARE CONSUMERS; AND

13 (b) PRUDENCE REQUIRES THAT THE GENERAL ASSEMBLY CONDUCT
14 A THOROUGH COST-BENEFIT ANALYSIS OF ANY SUCH NEW STATUTORY

1 REQUIREMENTS BEFORE ENACTING THEM AND REQUIRING COMPLIANCE BY
2 CARRIERS, PROVIDERS, AND HEALTH CARE CONSUMERS.

3 (2) (a) IN ORDER TO REVIEW THE COSTS AND BENEFITS OF
4 PROPOSED CHANGES TO HEALTH BENEFIT PLANS, INCLUDING COSTS TO
5 EMPLOYERS, EMPLOYEES, COVERED PERSONS, AND CARRIERS, THE HEALTH
6 BENEFIT PLAN DESIGN CHANGE REVIEW COMMITTEE, REFERRED TO IN THIS
7 SECTION AS THE "COMMITTEE", IS CREATED IN THE DIVISION OF INSURANCE
8 AS A **TYPE 2** ENTITY. THE COMMITTEE INCLUDES NINE MEMBERS, AS
9 FOLLOWS:

10 (I) ONE MEMBER WHO IS A MEMBER OF THE SENATE HEALTH AND
11 HUMAN SERVICES COMMITTEE, OR ANY SUCCESSOR COMMITTEE, TO BE
12 APPOINTED BY THE PRESIDENT OF THE SENATE IN CONSULTATION WITH THE
13 MINORITY LEADER;

14 (II) ONE MEMBER WHO IS A MEMBER OF THE HOUSE OF
15 REPRESENTATIVES HEALTH AND INSURANCE COMMITTEE, OR ANY
16 SUCCESSOR COMMITTEE, TO BE APPOINTED BY THE SPEAKER OF THE HOUSE
17 OF REPRESENTATIVES IN CONSULTATION WITH THE MINORITY LEADER; AND

18 (III) SEVEN MEMBERS TO BE APPOINTED BY THE GOVERNOR AS
19 FOLLOWS:

20 (A) ONE MEMBER WHO REPRESENTS CARRIERS;

21 (B) ONE MEMBER WHO REPRESENTS PROVIDERS;

22 (C) ONE MEMBER WHO REPRESENTS HEALTH CARE CONSUMERS;

23 (D) ONE MEMBER WHO REPRESENTS HOSPITALS;

24 (E) ONE MEMBER WHO IS AN EMPLOYEE OF THE DIVISION OF
25 INSURANCE;

26 (F) ONE MEMBER WHO REPRESENTS THE DEPARTMENT OF HEALTH
27 CARE POLICY AND FINANCING; AND

1 (G) ONE MEMBER WHO IS AN ACTUARY.

2 (b) THE APPOINTING AUTHORITIES DESCRIBED IN SUBSECTION
3 (2)(a) OF THIS SECTION SHALL MAKE THEIR INITIAL APPOINTMENTS TO THE
4 COMMITTEE ON OR BEFORE NOVEMBER 1, 2020.

5 (c) THE TERM OF OFFICE OF EACH MEMBER OF THE COMMITTEE
6 APPOINTED BY THE GOVERNOR PURSUANT TO SUBSECTION (2)(a)(III) OF
7 THIS SECTION IS FIVE YEARS; EXCEPT THAT:

8 (I) THE INITIAL TERM OF OFFICE OF THE MEMBER APPOINTED
9 PURSUANT TO SUBSECTION (2)(a)(III)(A) OF THIS SECTION IS ONE YEAR;

10 (II) THE INITIAL TERM OF OFFICE OF THE MEMBER APPOINTED
11 PURSUANT TO SUBSECTION (2)(a)(III)(B) OF THIS SECTION IS TWO YEARS;

12 (III) THE INITIAL TERM OF OFFICE OF THE MEMBER APPOINTED
13 PURSUANT TO SUBSECTION (2)(a)(III)(C) OF THIS SECTION IS THREE YEARS;

14 AND

15 (IV) THE INITIAL TERM OF OFFICE OF THE MEMBER APPOINTED
16 PURSUANT TO SUBSECTION (2)(a)(III)(D) OF THIS SECTION IS FOUR YEARS.

17 (d) EACH MEMBER OF THE COMMITTEE MAY SERVE AN UNLIMITED
18 NUMBER OF TERMS.

19 (e) EACH APPOINTING AUTHORITY MAY APPOINT MEMBERS AS
20 NEEDED TO FILL VACANCIES FOR UNEXPIRED TERMS.

21 (f) THE GOVERNOR SHALL APPOINT A COMMITTEE MEMBER TO ACT
22 AS CHAIR OF THE COMMITTEE.

23 (3) THE COMMITTEE SHALL MEET AS NEEDED FOR ITS PURPOSES, AS
24 DESCRIBED IN SUBSECTION (6) OF THIS SECTION, AND AT THE REQUEST OF
25 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE PRESIDENT OF
26 THE SENATE.

27 (4) THE NONLEGISLATIVE MEMBERS OF THE COMMITTEE SHALL

1 SERVE WITHOUT COMPENSATION AND WITHOUT REIMBURSEMENT FOR
2 EXPENSES. THE LEGISLATIVE MEMBERS OF THE COMMITTEE SHALL SERVE
3 WITHOUT ADDITIONAL COMPENSATION BUT MAY BE REIMBURSED FOR
4 EXPENSES AS PROVIDED IN SECTION 2-2-307.

5 (5) (a) THE DIVISION OF INSURANCE SHALL ASSIST THE COMMITTEE
6 IN CARRYING OUT ITS DUTIES UNDER THIS SECTION.

7 (b) THE DIVISION OF INSURANCE SHALL SEEK INPUT FROM THE
8 COMMITTEE REGARDING THE FISCAL ANALYSIS OF ANY PROPOSED
9 LEGISLATION CONTAINING A MANDATED HEALTH INSURANCE BENEFIT,
10 WHICH FISCAL ANALYSIS IS PREPARED BY LEGISLATIVE COUNCIL STAFF
11 PURSUANT TO SECTION 2-2-322.

12 (c) FOR THE PURPOSE OF ASSISTING THE COMMITTEE, THE DIVISION
13 OF INSURANCE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, AND
14 DONATIONS FROM PUBLIC AND PRIVATE SOURCES.

15 (6) (a) THE PURPOSE OF THE COMMITTEE IS TO REVIEW
16 INTRODUCED LEGISLATION THAT IMPOSES REQUIREMENTS ON, OR AMENDS
17 EXISTING REQUIREMENTS OF, HEALTH BENEFIT PLANS. FOR ANY SUCH
18 LEGISLATION THAT THE COMMITTEE REVIEWS AT THE REQUEST OF A CHAIR
19 OF A COMMITTEE OF REFERENCE, AS DESCRIBED IN SUBSECTION (7) OF THIS
20 SECTION, THE COMMITTEE SHALL CONDUCT AN ACTUARIAL REVIEW OF THE
21 PREDICTED EFFECTS OF THE LEGISLATION DURING THE FIVE YEARS
22 FOLLOWING THE ENACTMENT OF THE LEGISLATION, INCLUDING:

23 (I) AN ESTIMATE OF THE NUMBER OF COLORADO RESIDENTS WHO
24 WILL BE DIRECTLY AFFECTED BY THE LEGISLATION;

25 (II) ESTIMATES OF CHANGES IN THE RATES OF UTILIZATION OF
26 SPECIFIC HEALTH CARE SERVICES THAT MAY RESULT FROM THE
27 LEGISLATION;

1 (III) ESTIMATES CONCERNING ANY CHANGES IN CONSUMER COST
2 SHARING THAT WOULD RESULT FROM THE LEGISLATION;

3 (IV) THE FINANCIAL IMPACT, IF ANY, OF THE LEGISLATION ON
4 GROUP BENEFIT PLANS OFFERED UNDER THE "STATE EMPLOYEES GROUP
5 BENEFITS ACT", PART 6 OF ARTICLE 50 OF TITLE 24, REGARDLESS OF
6 WHETHER THE LEGISLATION WOULD ACTUALLY AMEND THAT ACT;

7 (V) THE FINANCIAL IMPACT, IF ANY, OF THE LEGISLATION ON
8 MEDICAL ASSISTANCE PROGRAMS UNDER THE "COLORADO MEDICAL
9 ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF TITLE 25.5, REGARDLESS OF
10 WHETHER THE LEGISLATION WOULD ACTUALLY AMEND THAT ACT; AND

11 (VI) THE FINANCIAL IMPACT, IF ANY, OF THE LEGISLATION ON
12 EMPLOYERS WITH FEWER THAN ONE HUNDRED EMPLOYEES, EMPLOYERS
13 WITH AT LEAST ONE HUNDRED EMPLOYEES BUT LESS THAN FIVE HUNDRED
14 EMPLOYEES, AND EMPLOYERS WITH FIVE HUNDRED OR MORE EMPLOYEES.

15 (b) THE COMMITTEE SHALL COMMUNICATE THE INFORMATION
16 DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION IN DOLLAR AMOUNTS
17 AND, IN THE CASE OF ANY ESTIMATES OF IMPACTS ON HEALTH INSURANCE
18 PREMIUMS, IN TERMS OF PER-MEMBER, PER-MONTH CHANGES.

19 (7) ON AND AFTER JANUARY 1, 2021, IF LEGISLATION THAT
20 IMPOSES REQUIREMENTS ON, OR AMENDS EXISTING REQUIREMENTS OF,
21 ANY HEALTH BENEFIT PLANS IS INTRODUCED IN THE HOUSE OF
22 REPRESENTATIVES OR THE SENATE AND REFERRED BY THE SPEAKER OF THE
23 HOUSE OF REPRESENTATIVES OR THE PRESIDENT OF THE SENATE TO A
24 COMMITTEE OF REFERENCE, THE CHAIR OF THE COMMITTEE OF REFERENCE
25 SHALL REQUEST THAT THE HEALTH BENEFIT PLAN DESIGN CHANGE REVIEW
26 COMMITTEE PREPARE AND SUBMIT TO THE COMMITTEE OF REFERENCE AN
27 ACTUARIAL REVIEW PREDICTING THE EFFECTS OF THE LEGISLATION DURING

1 THE FIVE YEARS FOLLOWING THE ENACTMENT OF THE LEGISLATION, AS
2 DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION, WITHIN A TIME PERIOD
3 DEEMED APPROPRIATE BY THE CHAIR OF THE COMMITTEE OF REFERENCE.

4 (8) THE COMMISSIONER MAY PROMULGATE RULES AS NECESSARY
5 TO IMPLEMENT THIS SECTION.

6 **SECTION 2.** In Colorado Revised Statutes, 24-1-122, **add** (6) as
7 follows:

8 **24-1-122. Department of regulatory agencies - creation.**

9 (6) THE HEALTH BENEFIT PLAN DESIGN CHANGE REVIEW COMMITTEE
10 CREATED IN SECTION 10-16-152 IS TRANSFERRED BY A **TYPE 2** TRANSFER
11 TO THE DEPARTMENT OF REGULATORY AGENCIES AND ALLOCATED TO THE
12 DIVISION OF INSURANCE.

13 **SECTION 3. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2020 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.