Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0818.01 Richard Sweetman x4333

HOUSE BILL 24-1005

HOUSE SPONSORSHIP

deGruy Kennedy and Ortiz,

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Roberts and Fields,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

CONCERNING CONTRACT REQUIREMENTS BETWEEN PRIMARY CARE PROVIDERS AND OTHER HEALTH-CARE ORGANIZATIONS.

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.)

With certain exceptions, for health benefit plans that are issued or renewed on or after January 1, 2027, the bill requires a health-care insurance carrier (carrier) to include a primary care provider as a participating provider in all networks, including narrow networks and all tiers of tiered networks, of the carrier's health benefit plan if the primary care provider is:

- Licensed to practice in Colorado;
- Certified or accredited by a national association for the certification or accreditation of primary care providers;
- Enrolled in an alternative payment model; and
- Credentialed by federal law to receive reimbursement for the provision of care to patients receiving benefits from medicaid.

On or before December 31, 2025, the commissioner of insurance must promulgate rules to implement the bill, including rules:

- Establishing criteria and a process for determining whether a primary care provider meets the criteria; and
- Establishing a schedule for contracted reimbursements issued to primary care providers who participate in a health benefit plan.

The division of insurance must contract with an actuary to determine a minimum reimbursement schedule for alternative payment models. The schedule:

- Must ensure that primary care providers are reimbursed at rates that are at least equal to the reimbursement rates established in law for purposes of the Colorado standardized health benefit plan;
- Must include adjustments for regional cost of living variations; and
- May include incentives for integration of behavioral health-care services and comprehensive care coordination services.

If a carrier and a primary care provider do not negotiate and agree to terms of reimbursement, the carrier must compensate the primary care provider in accordance with the schedule for contracted reimbursements established by rule.

If a primary care provider employed by a medical group or hospital system leaves the medical group or hospital system to establish an independent practice, the primary care provider may communicate with patients about continuing to see them in the new practice.

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

SECTION 1. Legislative declaration. (1) The general assembly finds that:

(a) Investing in primary care and expanding Colorado's primary care physician workforce is imperative to increasing health-care access

and outcomes, decreasing overall health-care costs, and reducing health disparities by empowering patients to choose their doctors and build enduring doctor-patient relationships;

(b) Integrating behavioral health care into primary care settings enhances a holistic, patient-centered approach and contributes to better overall mental and physical health; and

(c) Primary care spending in Colorado remains low, accounting for 10.3% of all medical spending in 2021 excluding pharmacy and dental spending.

(2) The general assembly further finds that:

(a) Inadequate investment and access to primary care has multiple negative consequences for the health-care system as well as for the health and well-being of Coloradans;

(b) The inability of patients to choose and retain their preferred primary care doctor, regardless of employment changes, impacts access and leads to disrupted doctor-patient relationships that can exacerbate health disparities;

(c) The absence of continuous preventive care can result in patients delaying necessary care, which can lead to increased avoidable hospital and emergency department use, driving up overall health-care costs; and

(d) Better primary care access is linked to decreased hospital and emergency department utilization, lower mortality and complication rates, healthier birth outcomes, and increased life expectancy, while mitigating racial, ethnic, and socioeconomic disparities.

(3) The general assembly further finds that:

(a) Small, independent primary care providers are struggling to

stay independent because of narrow insurance networks, health-care industry consolidation, stagnant compensation, and heavy administrative burdens;

(b) Encouraging the transition from fee-for-service to value-based payments can help small, rural, and independent practices stay independent, improve overall population health, and facilitate practice transformation toward integrated, whole-person care so practices can coordinate care and address social determinants of health such as housing stability, social support, and food insecurity; and

(c) Increasing primary care physician compensation is imperative to building a more robust workforce and ensuring adequate access to high-quality care for all patients.

(4) Therefore, the general assembly declares that it is the intent of the general assembly to require insurance carriers to contract in-network with interested primary care providers meeting certain standards in order to:

(a) Increase investments in primary care, reduce overall health-care system costs, and build a more robust workforce to ensure access to high-quality primary care in every part of Colorado;

(b) Improve health access, outcomes, and equity by enabling patients to retain their primary care doctors and build enduring doctor-patient relationships; and

(c) Assist small, independent practices by giving them tools to remain viable and competitive amid market consolidation pressures.

SECTION 2. In Colorado Revised Statutes, **add** 10-16-121.2 as follows:

10-16-121.2. Health insurance carriers include qualified

primary care providers in health benefit plans - primary care provider communications with patients - applicability - rules - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "MEDICAID" MEANS THE MEDICAL ASSISTANCE PROGRAMS ESTABLISHED PURSUANT TO THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4 TO 6 OF TITLE 25.5.

(b) "NARROW NETWORK" HAS THE MEANING SET FORTH IN SECTION 10-16-121 (8)(b).

(c) "PRIMARY CARE PROVIDER" HAS THE MEANING SET FORTH IN SECTION 10-16-157 (2)(e).

(d) "TIERED NETWORK" HAS THE MEANING SET FORTH IN SECTION 10-16-121 (8)(c).

(2) FOR HEALTH BENEFIT PLANS THAT ARE ISSUED OR RENEWED ON OR AFTER JANUARY 1, 2027, A CARRIER SHALL INCLUDE A PRIMARY CARE PROVIDER AS A PARTICIPATING PRIMARY CARE PROVIDER IN ALL NETWORKS, INCLUDING NARROW NETWORKS AND ALL TIERS OF TIERED NETWORKS, OF THE CARRIER'S HEALTH BENEFIT PLAN IF THE PROVIDER SATISFIES THE FOLLOWING CRITERIA:

(a) THE PRIMARY CARE PROVIDER IS LICENSED PURSUANT TO ARTICLE 240 OF TITLE 12;

(b) THE PRIMARY CARE PROVIDER IS CERTIFIED OR ACCREDITED BY A NATIONAL ASSOCIATION FOR THE CERTIFICATION OR ACCREDITATION OF PRIMARY CARE PROVIDERS;

(c) THE PRIMARY CARE PROVIDER IS ENROLLED IN AN ALTERNATIVE PAYMENT MODEL, AS DEFINED IN SECTION 10-16-157 (2)(b); AND

(d) THE PRIMARY CARE PROVIDER IS CREDENTIALED BY FEDERAL LAW TO RECEIVE REIMBURSEMENT FOR THE PROVISION OF CARE TO PATIENTS RECEIVING BENEFITS FROM MEDICAID.

(3) A CARRIER THAT INCLUDES A PRIMARY CARE PROVIDER IN ITS HEALTH BENEFIT PLAN PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL NOT REQUIRE THE PRIMARY CARE PROVIDER TO ACQUIRE ANY CREDENTIAL OR ACCREDITATION TO RECEIVE REIMBURSEMENT FOR THE PROVISION OF CARE TO PATIENTS RECEIVING BENEFITS FROM MEDICAID IN ADDITION TO THE CREDENTIAL OR ACCREDITATION DESCRIBED IN SUBSECTION (2)(d) OF THIS SECTION.

(4) (a) ON OR BEFORE DECEMBER 31, 2025, THE COMMISSIONER SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION, INCLUDING RULES:

(I) ESTABLISHING CRITERIA AND A PROCESS FOR DETERMINING WHETHER A PRIMARY CARE PROVIDER MEETS THE CRITERIA DESCRIBED IN SUBSECTION (2) OF THIS SECTION; AND

(II) ESTABLISHING A SCHEDULE FOR CONTRACTED REIMBURSEMENTS ISSUED TO PRIMARY CARE PROVIDERS WHO PARTICIPATE IN A HEALTH BENEFIT PLAN PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(b) FOR THE PURPOSES OF SUBSECTION (4)(a)(II) OF THIS SECTION, THE DIVISION OF INSURANCE SHALL CONTRACT WITH AN ACTUARY TO DETERMINE A MINIMUM REIMBURSEMENT SCHEDULE FOR ALTERNATIVE PAYMENT MODELS. THE SCHEDULE:

(I) MUST ENSURE THAT PRIMARY CARE PROVIDERS ARE REIMBURSED AT RATES THAT ARE AT LEAST EQUAL TO THE RATES DESCRIBED IN SECTION 10-16-1306 (4)(b);

(II) MUST INCLUDE ADJUSTMENTS FOR REGIONAL COST OF LIVING VARIATIONS; AND

(III) MAY INCLUDE INCENTIVES FOR INTEGRATION OF BEHAVIORAL HEALTH-CARE SERVICES AND COMPREHENSIVE CARE COORDINATION SERVICES.

(c) NOTWITHSTANDING ANY RULES PROMULGATED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, A CARRIER AND A PRIMARY CARE PROVIDER MAY NEGOTIATE TERMS OF REIMBURSEMENT OTHER THAN THE TERMS ESTABLISHED BY THE SCHEDULE FOR CONTRACTED REIMBURSEMENTS ESTABLISHED PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION. IF A CARRIER AND A PRIMARY CARE PROVIDER DO NOT NEGOTIATE AND AGREE TO TERMS OF REIMBURSEMENT, THE CARRIER SHALL COMPENSATE THE PRIMARY CARE PROVIDER IN ACCORDANCE WITH THE SCHEDULE FOR CONTRACTED REIMBURSEMENTS ESTABLISHED PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION.

(5) IF A PRIMARY CARE PROVIDER EMPLOYED BY A MEDICAL GROUP OR HOSPITAL SYSTEM LEAVES THE MEDICAL GROUP OR HOSPITAL SYSTEM TO ESTABLISH AN INDEPENDENT PRACTICE, THE PRIMARY CARE PROVIDER MAY COMMUNICATE WITH A PATIENT ABOUT CONTINUING TO SEE THE PATIENT IN THE NEW PRACTICE. ANY PROVISION OF A NONCOMPETE AGREEMENT THAT IMPOSES A RESTRICTION IN CONTRADICTION OF THIS SUBSECTION (5) IS VOID AND UNENFORCEABLE.

(6) THIS SECTION DOES NOT APPLY TO:

(a) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION OPERATED BY OR UNDER THE CONTROL OF THE DENVER HEALTH AND HOSPITAL AUTHORITY CREATED BY ARTICLE 29 OF TITLE 25 OR ANY SUBSIDIARY OF THE AUTHORITY; OR

(b) CARRIERS, ORGANIZATIONS, AND MEDICAL BENEFITS SUBJECT TO THE "WORKERS' COMPENSATION ACT OF COLORADO", ARTICLES 40 TO 47 OF TITLE 8.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.