SENATE COMMITTEE OF REFERENCE REPORT

February 27, 2020

Chair of Committee Date

Committee on Health & Human Services.

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

SB20-005 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

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

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

10-16-152. Consumer cost-sharing study - third-party accounting firm - reports - repeal. (1) The Division shall contract with a third-party accounting firm to conduct a consumer cost-sharing study.

(2) The third-party accounting firm shall study:

(a) Trends in carrier plan design, consumer plan selection, and utilization of services using data available from 2014 through 2020;

(b) The total out-of-pocket costs incurred by covered persons in Colorado, including all cost-sharing amounts;

(c) The premium impacts on consumers in the state if carriers could not terminate coverage if a consumer fails to pay the consumer's cost-sharing amounts;

(d) The financial affects on individual providers, provider groups, hospitals, and health systems as a result of uncollected cost-sharing amounts from covered persons;

(e) The specific amount of uncollected medical debt formally claimed on an annual basis by hospitals and providers through financial statements and tax filings, including how
HOSPITALS AND PROVIDERS ARE ABLE TO WRITE OFF MEDICAL DEBT;
(f) THE ANNUAL ADMINISTRATIVE EXPENSES FOR PROVIDERS AND HOSPITALS ATTRIBUTABLE TO THE COLLECTION OF PATIENT COST-SHARING AMOUNTS AS CLAIMED ON FORMAL FINANCIAL STATEMENTS AND TAX FILINGS;
(g) THE REDUCTION IN ANNUAL ADMINISTRATION EXPENSES FOR PROVIDERS AND HOSPITALS ATTRIBUTABLE TO THE COLLECTION OF PATIENT COST-SHARING AMOUNTS IF CARRIERS OFFERING HEALTH CARE PLANS WERE REQUIRED TO COLLECT ALL PATIENT COST-SHARING AMOUNTS;
(h) POLICY OPTIONS TO HELP SIMPLIFY BILLING SYSTEMS FOR COVERED PERSONS, INCLUDING:
   (I) THE EXAMINATION OF EXISTING PAYMENT MODELS THAT REQUIRE CARRIERS TO COLLECT COINSURANCE, COPAYMENTS, OR DEDUCTIBLES;
   (II) REQUIRING HOSPITALS TO SUBMIT ONE UNIFORM BILL TO A COVERED PERSON FOR ALL HEALTH CARE SERVICES PROVIDED TO THE COVERED PERSON WITHIN THE HOSPITAL OR HEALTH SYSTEM DURING A SINGLE EPISODE OF CARE WITHIN THIRTY DAYS AFTER THE CARE EPISODE;
   (III) REDUCING THE SIGNIFICANT RATE VARIABILITY FOR HEALTH CARE SERVICES BETWEEN HEALTH CARE SETTINGS; AND
   (IV) THE COST SAVINGS THAT WOULD RESULT TO PATIENTS FROM A STATE REQUIREMENTS FOR SITE NEUTRAL PAYMENTS;
(i) THE VIABILITY AND ESTIMATED COST SAVINGS OF REQUIRING ALL CARRIERS IN THE INDIVIDUAL MARKET TO COLLECT COINSURANCE, COPAYMENTS, OR DEDUCTIBLES, INCLUDING CONSIDERATION OF:
   (I) THE COST IMPACTS TO CARRIERS TO BUILD AND ADMINISTER A NEW AND SEPARATE BILLING AND COST SHARE COLLECTIONS PROCESS FOR THE INDIVIDUAL MARKET;
   (II) IMPACTS TO INDIVIDUAL MARKET HEALTH PLAN PREMIUMS THAT WOULD RESULT FROM CARRIERS BUILDING NEW BILLING AND COST SHARE COLLECTION SYSTEMS FOR INDIVIDUAL MARKET MEMBERS;
   (III) THE IMPACT OF CARRIERS ABSORBING ALL UNCOLLECTED MEDICAL DEBT FROM HOSPITALS AND PROVIDERS; AND
   (IV) THE COST IMPACTS FOR SMALL BUSINESS EMPLOYERS SPONSORING HEALTH INSURANCE COVERAGE FOR THEIR EMPLOYEES ON THE INDIVIDUAL MARKET;
(j) THE AMOUNT OF MONEY THAT IS SPENT ON BILLING AND COLLECTIONS BY PROVIDERS, BASED ON WHETHER THE PROVIDER IS IN A LARGE FACILITY OR A SMALL FACILITY;
(k) THE AMOUNT OF MONEY FORMALLY CLAIMED BY PROVIDERS...
AND HOSPITALS IN FORMAL FINANCIAL STATEMENTS, OR OTHER
SUBMISSIONS TO STATE OR FEDERAL GOVERNMENT AGENCIES, OR TAX
FILINGS THAT IS SPENT ON BILLING BY PROVIDERS, BASED ON WHETHER
THE PROVIDER IS IN A LARGE FACILITY OR A SMALL FACILITY;

(l) The amount of money formally claimed by providers
and hospitals in formal financial statements, or other
submissions to state or federal government agencies, or tax
filings that is spent on collections by providers, based on
whether the provider is in a large facility or a small facility;

(m) The extent to which a change in the billing structure
could create a burden on providers or carriers or create
confusion for consumers;

(n) Whether a shift in billing would effect negotiations
between providers and carriers;

(o) The number bills sent by providers to consumers, the
timing of the bills, and the clarity of the bills;

(p) The amount of medical debt in Colorado formally
claimed by providers and hospitals in formal financial
statements or other submissions to state or federal government
agencies or tax filings and the affect of that debt on premiums;

(q) The total administrative costs on providers, based by
provider size;

(r) How cost savings at the hospital and provider level
would be realized, including the expected reduction in rates;

(s) The number and types of charity care currently
offered by providers in the state and formally claimed by
providers and hospitals in formal financial statements or other
submissions to state or federal government agencies or tax
filings;

(i) Whether the state should establish billing timelines to
ensure that providers bill carriers in a timely manner; and

(u) The existing federal and state laws pertaining to
cost-sharing ratios to being built into various plan designs;

(3) In conducting the study required in subsection (2) of
this section, the third-party accounting firm shall consult with
stakeholders who represent the following:

(a) An organization of statewide hospitals;

(b) An organization of physicians;

(c) An organization of Colorado health plans;

(d) Health plans;

(e) A Colorado urban health system;
(f) A CONSUMER ADVOCATE;
(g) A PROVIDER SERVING LOW-INCOME OR VULNERABLE POPULATIONS;
(h) NONPHYSICIAN PROVIDER ORGANIZATIONS;
(i) PHYSICIAN SPECIALTY SOCIETIES THAT REPRESENT ANESTHESIOLOGISTS, EMERGENCY CARE PHYSICIANS, AND RADIOLOGISTS;
and
(j) AN ORGANIZATION THAT REPRESENTS EMPLOYERS.

(4) THE THIRD-PARTY ACCOUNTING FIRM SHALL USE DATA FROM THE ALL-PAYER HEALTH CLAIMS DATABASE ESTABLISHED PURSUANT TO SECTION 25.5-1-204 WHEN AVAILABLE.

(5) ON OR BEFORE NOVEMBER 1, 2021, THE THIRD-PARTY ACCOUNTING FIRM SHALL SUBMIT A WRITTEN REPORT TO THE GOVERNOR, THE HEALTH AND INSURANCE AND PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES. THE REPORT MUST INCLUDE, BUT NEED NOT BE LIMITED TO, FINDINGS RELATED TO THE TOPICS STUDIED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND RECOMMENDATIONS ON HOW TO IMPROVE THE COST-SHARING SYSTEM IN COLORADO.

(6) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2022.

SECTION 2. 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 (August 5, 2020, if adjournment sine die is on May 6, 2020); 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 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.”.

Page 1, line 102, strike "PERSONS." and substitute "PERSONS, AND, IN CONNECTION THEREWITH, CREATING A CONSUMER COST-SHARING STUDY.".

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