

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

REREVISED

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

LLS NO. 17-0871.02 Christy Chase x2008

SENATE BILL 17-300

SENATE SPONSORSHIP

Lambert,

HOUSE SPONSORSHIP

Kennedy,

Senate Committees
Health & Human Services

House Committees
Health, Insurance, & Environment

A BILL FOR AN ACT

101 **CONCERNING THE AUTHORITY OF THE COMMISSIONER OF INSURANCE**
102 **TO IMPLEMENT PROGRAMS TO ADDRESS THE RISING COSTS OF**
103 **PROVIDING HEALTH CARE COVERAGE TO HIGH-RISK**
104 **INDIVIDUALS IN THE STATE, AND, IN CONNECTION THEREWITH,**
105 **DIRECTING THE COMMISSIONER TO STUDY ISSUES RELATED TO**
106 **THE IMPLEMENTATION OF SUCH PROGRAMS.**

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 authorizes the commissioner of insurance to:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 3rd Reading
May 10, 2017

HOUSE
Amended 2nd Reading
May 9, 2017

SENATE
3rd Reading Unamended
May 8, 2017

SENATE
Amended 2nd Reading
May 5, 2017

- ! Develop a high-risk health care coverage program to address access to coverage for individuals with high-cost medical conditions and to reduce health insurance premiums;
- ! Apply for a waiver under federal law to implement the program;
- ! Seek, accept, and expend public and private gifts, grants, and donations to implement the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 22.5 to
3 title 10 as follows:

4 **ARTICLE 22.5**

5 **Colorado High-risk Health Care Coverage Study**

6 **10-22.5-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 22.5
7 IS THE "COLORADO HIGH-RISK HEALTH CARE COVERAGE STUDY ACT".

8 **10-22.5-102. Legislative declaration.** THE GENERAL ASSEMBLY
9 HEREBY DECLARES THAT, WITH RISING RATES IN THE INDIVIDUAL HEALTH
10 INSURANCE MARKET AND [REDACTED] THE CHALLENGES FACED BY CARRIERS IN
11 ANTICIPATING COSTS OF CARE FOR INDIVIDUALS WHO ARE CONSIDERED
12 HIGH RISK DUE TO A MEDICAL CONDITION, IT IS IMPORTANT FOR
13 COLORADO TO EXPLORE INNOVATIVE WAYS TO REDUCE COSTS WHILE
14 MAINTAINING ACCESS TO CARE. ACCORDINGLY, THE PURPOSE OF THIS
15 ARTICLE 22.5 IS TO AUTHORIZE THE COMMISSIONER OF INSURANCE AND
16 THE DIVISION OF INSURANCE TO STUDY NEW POLICY SOLUTIONS THAT MAY
17 INVOLVE APPLYING FOR AUTHORIZATION OR WAIVERS AVAILABLE UNDER
18 FEDERAL LAW. [REDACTED]

19 **10-22.5-103. Definitions.** AS USED IN THIS ARTICLE 22.5, UNLESS
20 THE CONTEXT OTHERWISE REQUIRES:

21 (1) "CARRIER" HAS THE SAME MEANING AS SET FORTH IN SECTION

1 10-16-102 (8).

2 (2) "COMMISSIONER" MEANS THE COMMISSIONER OF INSURANCE
3 OR THE COMMISSIONER'S DESIGNEE.

4 (3) "DIVISION" MEANS THE DIVISION OF INSURANCE ESTABLISHED
5 IN SECTION 10-1-103.

6 (4) "FEDERAL ACT" MEANS THE "PATIENT PROTECTION AND
7 AFFORDABLE CARE ACT", PUB.L. 111-148, AS AMENDED BY THE "HEALTH
8 CARE AND EDUCATION RECONCILIATION ACT OF 2010", PUB.L. 111-152,
9 AND AS MAY BE FURTHER AMENDED, AND INCLUDING ANY FEDERAL
10 REGULATIONS ADOPTED UNDER THE FEDERAL ACT.

11 (5) "HIGH-RISK INDIVIDUAL" MEANS AN INDIVIDUAL WHO HAS A
12 MEDICAL CONDITION THAT IS LIKELY TO RESULT IN HIGH HEALTH CARE
13 COSTS.

14 (6) "REINSURANCE" MEANS A SYSTEM IN WHICH A CARRIER MAY
15 ARRANGE WITH ANOTHER ENTITY FOR PAYMENT OF SERVICES FOR
16 HIGH-RISK INDIVIDUALS ENROLLED IN THE CARRIER'S HEALTH PLAN, AND
17 IN WHICH ALL COVERED PERSONS, HEALTHY AND SICK, ARE IN A SINGLE
18 POOL AND HAVE THE SAME CHOICE OF HEALTH PLANS.

19 **10-22.5-104. High-risk health care coverage study -**
20 **commissioner to conduct - report.** (1) THE COMMISSIONER SHALL
21 STUDY METHODS OF PROVIDING HEALTH CARE COVERAGE TO HIGH-RISK
22 INDIVIDUALS AND REDUCING HEALTH INSURANCE PREMIUMS IN THE
23 INDIVIDUAL MARKET. IN CONDUCTING THE STUDY, THE COMMISSIONER
24 AND THE DIVISION SHALL ENGAGE WITH AND SEEK ONGOING INPUT FROM
25 CARRIERS, CONSUMER GROUPS, AND OTHER INTERESTED STAKEHOLDERS.

26 (2) AS PART OF THE STUDY, THE COMMISSIONER SHALL EXPLORE
27 THE FEASIBILITY OF MAINTAINING HEALTH CARE COVERAGE FOR HIGH-RISK

1 INDIVIDUALS AND REDUCING PREMIUMS THROUGH A [REDACTED] REINSURANCE
2 PROGRAM OR OTHER HIGH-RISK PROGRAMS AND SHALL TAKE INTO
3 CONSIDERATION:

4 (a) ANY REQUIREMENTS IMPOSED UNDER THE FEDERAL ACT OR
5 OTHER APPLICABLE FEDERAL LAWS AND REGULATIONS TO QUALIFY FOR
6 FEDERAL FINANCIAL SUPPORT;

7 (b) POTENTIAL FINANCIAL IMPACTS TO CONSUMERS AND THE
8 BUSINESS COMMUNITY;

9 (c) POTENTIAL FUNDING MECHANISMS AND OTHER MEASURES TO
10 ENSURE THE LONG-TERM FINANCIAL SUSTAINABILITY OF A HIGH-RISK OR
11 [REDACTED] REINSURANCE PROGRAM; AND

12 (d) THE NECESSARY PROCEDURAL REQUIREMENTS THAT THE STATE
13 MUST FULFILL IN ORDER TO APPLY FOR AND SEEK APPROVAL OF ANY
14 WAIVER OR OTHER AUTHORIZATION THAT MAY BE REQUIRED UNDER THE
15 FEDERAL ACT OR OTHER APPLICABLE FEDERAL LAW.

16 (3) (a) UPON COMPLETION OF THE STUDY, THE COMMISSIONER
17 SHALL SUBMIT A REPORT ON THE STUDY TO THE JOINT BUDGET COMMITTEE
18 OF THE GENERAL ASSEMBLY, THE HEALTH AND HUMAN SERVICES
19 COMMITTEE OF THE SENATE, AND THE HEALTH, INSURANCE, AND
20 ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR THEIR
21 SUCCESSOR COMMITTEES, BY OCTOBER 1, 2017, WHICH REPORT MAY BE
22 CONSIDERED, AS NECESSARY, IN THE BUDGETING PROCESS. THE
23 COMMISSIONER SHALL REPORT, AT A MINIMUM, ON THE AREAS INCLUDED
24 IN THE STUDY, AS SPECIFIED IN SUBSECTION (2) OF THIS SECTION.

25 (b) IN ADDITION TO SUBMITTING THE REPORT AS REQUIRED BY THIS
26 SUBSECTION (3), THE COMMISSIONER SHALL PRESENT THE REPORT TO THE
27 HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE AND THE

1 HEALTH, INSURANCE, AND ENVIRONMENT COMMITTEE OF THE HOUSE OF
2 REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, DURING THE
3 COMMITTEES' HEARINGS HELD PRIOR TO THE 2018 REGULAR SESSION
4 UNDER THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE,
5 AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7
6 OF TITLE 2.

7 **10-22.5-105. Gifts, grants, donations, and federal funding -**
8 **authority to accept and expend.** THE COMMISSIONER MAY SEEK, ACCEPT,
9 AND EXPEND GIFTS, GRANTS, DONATIONS FROM PRIVATE OR PUBLIC
10 SOURCES OR ANY FEDERAL FUNDING TO DEFRAY THE COSTS OF
11 CONDUCTING THE STUDY PURSUANT TO SECTION 10-22.5-104.

12 **10-22.5-106. Repeal.** THIS ARTICLE IS REPEALED, EFFECTIVE JUNE
13 30, 2018.

14 **SECTION 2. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly (August
17 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against this act or an item, section, or part of this act
20 within such period, then the act, item, section, or part will not take effect
21 unless approved by the people at the general election to be held in
22 November 2018 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.