

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 19-0081.01 Brita Darling x2241

HOUSE BILL 19-1004

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A BILL FOR AN ACT

101 **CONCERNING A PROPOSAL FOR IMPLEMENTING A COMPETITIVE STATE**
102 **OPTION FOR MORE AFFORDABLE HEALTH CARE COVERAGE IN**
103 **COLORADO, AND, IN CONNECTION THEREWITH, REQUESTING**
104 **AUTHORIZATION TO USE EXISTING FEDERAL MONEY FOR THE**
105 **PROPOSED STATE OPTION AND TAKING OTHER ACTIONS TOWARD**
106 **THE IMPLEMENTATION OF THE STATE OPTION, AND MAKING AN**
107 **APPROPRIATION.**

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>.)

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.

HOUSE
3rd Reading Unamended
March 4, 2019

HOUSE
Amended 2nd Reading
March 1, 2019

The bill requires the department of health care policy and financing and the division of insurance in the department of regulatory agencies (departments) to develop and submit a proposal (proposal) to certain committees of the general assembly concerning the design, costs, benefits, and implementation of a state option for health care coverage. Additionally, the departments shall present a summary of the proposal at the annual joint hearings with the legislative committees of reference during the interim before the 2020 legislative session.

The proposal must contain a detailed analysis of a state option and must identify the most effective implementation of a state option based on affordability to consumers at different income levels, administrative and financial burden to the state, ease of implementation, and likelihood of success in meeting the objectives described in the bill. The proposal must also identify any necessary changes to state law to implement the proposal.

In developing the proposal, the departments shall engage in a stakeholder process that includes public and private health insurance experts, consumers, consumer advocates, employers, providers, and carriers. Further, the departments shall review any information relating to a pilot program operated by the state personnel director as a result of legislation that may be enacted during the 2019 legislative session.

The departments shall prepare and submit any necessary federal waivers or state plan amendments to implement the proposal, unless a bill is filed within the filing deadlines for the 2020 legislative session that substantially alters the federal authorization required for the proposal and the bill is not postponed indefinitely in the first committee.

1 *Be it enacted by the General Assembly of the State of Colorado:*
2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-1-129 as
3 follows:
4 **25.5-1-129. State department proposal - state option for health**
5 **care coverage - report to general assembly - waiver authorization -**
6 **legislative declaration.** (1) (a) THE GENERAL ASSEMBLY FINDS THAT:
7 (I) EVERY COLORADAN DESERVES ACCESS TO HIGH-QUALITY,
8 AFFORDABLE HEALTH CARE TO HELP SUPPORT HIS OR HER WELL-BEING AND
9 ECONOMIC SECURITY;
10 (II) TO ACHIEVE THESE GOALS, COLORADO HAS SUCCESSFULLY

1 IMPLEMENTED PROVISIONS OF THE FEDERAL "PATIENT PROTECTION AND
2 AFFORDABLE CARE ACT" THAT HAVE HELPED EXPAND ACCESS AND
3 INCREASE AFFORDABILITY TO THOUSANDS OF COLORADANS, INCLUDING
4 EXPANDING MEDICAID COVERAGE TO MORE LOW-INCOME ADULTS AND
5 CREATING THE COLORADO HEALTH BENEFIT EXCHANGE;

6 (III) DESPITE THIS SUCCESS, IN SEVERAL REGIONS OF THE STATE,
7 HEALTH INSURANCE IS NOT AFFORDABLE DUE TO HIGH HEALTH CARE
8 COSTS AND LIMITED OR NO COMPETITION AMONG INSURANCE CARRIERS AS
9 WELL AS OTHER MARKETPLACE FACTORS, AND COLORADANS CANNOT
10 AFFORD THE HEALTH INSURANCE PREMIUMS AND OUT-OF-POCKET
11 EXPENSES;

12 (IV) SPECIFICALLY, COLORADANS IN FOURTEEN COUNTIES HAVE
13 ACCESS TO ONLY A SINGLE HEALTH INSURANCE CARRIER PARTICIPATING
14 IN THE COLORADO HEALTH BENEFIT EXCHANGE, AND THE NUMBER OF
15 UNINSURED COLORADANS IN THOSE COUNTIES IS RISING;

16 (V) COLORADO HAS HISTORICALLY BEEN A NATIONAL LEADER IN
17 HEALTH CARE INNOVATION;

18 (VI) UNCERTAINTY AT THE FEDERAL LEVEL REQUIRES COLORADO
19 TO BE PROACTIVE AND EXPLORE AND IMPLEMENT ITS OWN INNOVATIVE
20 SOLUTIONS TO PROVIDE GREATER ACCESS TO AFFORDABLE, HIGH-QUALITY
21 HEALTH CARE COVERAGE FOR COLORADO RESIDENTS; AND

22 (VII) A STATE OPTION FOR HEALTH CARE COVERAGE THAT USES
23 EXISTING STATE HEALTH CARE INFRASTRUCTURE MAY DECREASE COSTS
24 FOR COLORADANS, INCREASE COMPETITION, AND IMPROVE ACCESS TO
25 HIGH-QUALITY, AFFORDABLE, AND EFFICIENT HEALTH CARE.

26 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT
27 TASKING THE STATE DEPARTMENT AND THE DIVISION OF INSURANCE IN THE

1 DEPARTMENT OF REGULATORY AGENCIES, REFERRED TO IN THIS SECTION
2 AS "THE DIVISION", WITH DEVELOPING A PROPOSAL THAT CONSIDERS THE
3 FEASIBILITY AND COST OF IMPLEMENTING A STATE OPTION FOR HEALTH
4 CARE COVERAGE THAT LEVERAGES EXISTING STATE HEALTH CARE
5 INFRASTRUCTURE, INCREASES COMPETITION, IMPROVES QUALITY, AND
6 PROVIDES STABLE ACCESS TO AFFORDABLE HEALTH INSURANCE WILL
7 ENABLE POLICYMAKERS TO CONSIDER AND CREATE AN INNOVATIVE STATE
8 OPTION FOR HEALTH INSURANCE COVERAGE TO BENEFIT COLORADO.

9 (2) (a) ON OR BEFORE NOVEMBER 15, 2019, THE STATE
10 DEPARTMENT AND THE DIVISION SHALL DEVELOP AND SUBMIT A PROPOSAL
11 TO THE JOINT BUDGET COMMITTEE; THE PUBLIC HEALTH CARE AND HUMAN
12 SERVICES AND HEALTH AND INSURANCE COMMITTEES OF THE HOUSE OF
13 REPRESENTATIVES; AND THE HEALTH AND HUMAN SERVICES COMMITTEE
14 OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, FOR A STATE
15 OPTION FOR HEALTH CARE COVERAGE THAT LEVERAGES EXISTING STATE
16 INFRASTRUCTURE.

17 (b) IN ADDITION TO SUBMITTING THE PROPOSAL TO THE
18 COMMITTEES OF THE GENERAL ASSEMBLY LISTED IN SUBSECTION (2)(a) OF
19 THIS SECTION, THE STATE DEPARTMENT AND THE DIVISION SHALL PRESENT
20 A SUMMARY OF THE PROPOSAL AT THE ANNUAL JOINT MEETING OF THE
21 HOUSE AND SENATE COMMITTEES CONDUCTED DURING THE LEGISLATIVE
22 INTERIM PRIOR TO THE 2020 LEGISLATIVE SESSION PURSUANT TO SECTION
23 2-7-203.

24 (3) THE PROPOSAL MUST DESCRIBE A STATE OPTION FOR HEALTH
25 CARE COVERAGE. THE PROPOSAL MUST IDENTIFY THE MOST EFFECTIVE
26 IMPLEMENTATION OF A STATE OPTION BASED ON AFFORDABILITY TO
27 CONSUMERS AT DIFFERENT INCOME LEVELS, ADMINISTRATIVE AND

1 FINANCIAL BURDEN TO THE STATE, EASE OF IMPLEMENTATION, AND
2 LIKELIHOOD OF SUCCESS IN MEETING THE OBJECTIVES DESCRIBED IN
3 SUBSECTION (1) OF THIS SECTION.

4 (4) IN DEVELOPING THE PROPOSAL, THE STATE DEPARTMENT AND
5 THE DIVISION SHALL:

6 (a) CONDUCT ACTUARIAL RESEARCH TO IDENTIFY THE POTENTIAL
7 COST OF PREMIUMS AND COST-SHARING TO PAY CLAIMS IN A PLAN THAT IS,
8 AT A MINIMUM, AN ESSENTIAL HEALTH-BENEFIT-COMPLIANT PLAN, AS
9 DEFINED IN SECTION 10-16-102 (22);

10 (b) EVALUATE PROVIDER RATES NECESSARY TO INCENTIVIZE
11 PARTICIPATION AND ENCOURAGE NETWORK ADEQUACY AND
12 HIGH-QUALITY HEALTH CARE DELIVERY;

13 (c) EVALUATE ELIGIBILITY CRITERIA FOR INDIVIDUALS AND SMALL
14 BUSINESSES TO PARTICIPATE;

15 (d) DETERMINE THE IMPACT, IF ANY, ON THE STATE BUDGET;

16 (e) DETERMINE THE IMPACT ON THE STABILITY OF THE INDIVIDUAL
17 MARKET, THE SMALL GROUP MARKET, AND THE COLORADO HEALTH
18 BENEFIT EXCHANGE CREATED IN ARTICLE 22 OF TITLE 10;

19 (f) EVALUATE THE IMPACT ON CONSUMERS ELIGIBLE FOR
20 FINANCIAL ASSISTANCE FOR PLANS PURCHASED ON THE EXCHANGE;

21 (g) DETERMINE WHETHER A STATE OPTION PLAN SHOULD BE
22 OFFERED ON OR OFF THE EXCHANGE;

23 (h) DETERMINE WHETHER THE STATE OPTION PLAN SHOULD BE A
24 FULLY AT-RISK, MANAGED CARE, FEE-FOR-SERVICE, OR ACCOUNTABLE
25 CARE COLLABORATIVE PLAN, OR A COMBINATION THEREOF;

26 (i) DETERMINE WHETHER THE STATE OPTION SHOULD BE OFFERED
27 THROUGH THE STATE DEPARTMENT, AND IDENTIFY THE EXPECTED IMPACT,

1 IF ANY, TO THE COLORADO MEDICAL ASSISTANCE PROGRAM ESTABLISHED
2 IN ARTICLES 4, 5, AND 6 OF THIS TITLE 25.5;

3 (j) IDENTIFY THE EXPECTED IMPACT, IF ANY, TO THE CHILDREN'S
4 BASIC HEALTH PLAN ESTABLISHED IN ARTICLE 8 OF THIS TITLE 25.5;

5 (k) INVESTIGATE FUNDING OPTIONS, INCLUDING BUT NOT LIMITED
6 TO STATE FUNDS AND FEDERAL FUNDS SECURED THROUGH AVAILABLE
7 WAIVERS;

8 (l) EVALUATE THE FEASIBILITY, LEGALITY, AND SCOPE OF ANY
9 NECESSARY FEDERAL WAIVERS; AND

10 (m) REVIEW INFORMATION RELATING TO ANY PILOT PROGRAM
11 THAT MAY BE OPERATED BY THE STATE PERSONNEL DIRECTOR PURSUANT
12 TO SECTION 24-50-620, AS ENACTED IN SENATE BILL 19-004.

13 (5) IN DEVELOPING THE PROPOSAL, THE STATE DEPARTMENT AND
14 THE DIVISION SHALL CONSULT WITH THE COLORADO HEALTH BENEFIT
15 EXCHANGE AND SHALL ENGAGE IN A STAKEHOLDER PROCESS THAT
16 INCLUDES PUBLIC AND PRIVATE HEALTH INSURANCE EXPERTS, AS WELL AS
17 CONSUMERS, CONSUMER ADVOCATES, EMPLOYERS, PROVIDERS, AND
18 CARRIERS.

19 (6) THE PROPOSAL SUBMITTED TO THE COMMITTEES OF THE
20 GENERAL ASSEMBLY PURSUANT TO THIS SECTION MUST INCLUDE DETAILED
21 ANALYSIS OF THE PROPOSED STATE OPTION AND THE VARIOUS METHODS
22 FOR IMPLEMENTING THE PROPOSED STATE OPTION, AS WELL AS ANY
23 IDENTIFIED STATUTORY OR RULE CHANGES NECESSARY TO IMPLEMENT THE
24 PROPOSED STATE OPTION.

25 (7) (a) (I) AFTER THE PROPOSAL CREATED PURSUANT TO THIS
26 SECTION IS SUBMITTED AND PRESENTED TO THE COMMITTEES OF THE
27 GENERAL ASSEMBLY, THE STATE DEPARTMENT AND THE DIVISION SHALL

1 PREPARE AND SUBMIT ANY FEDERAL WAIVERS OR STATE PLAN
2 AMENDMENTS NECESSARY TO FUND AND IMPLEMENT THE STATE OPTION
3 FOR HEALTH CARE COVERAGE AS DESCRIBED IN THE PROPOSAL CREATED
4 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

5 (II) THE STATE DEPARTMENT'S AND THE DIVISION'S REQUESTS FOR
6 FEDERAL AUTHORIZATION MUST SEEK TO OBTAIN THE MAXIMUM AMOUNT
7 OF FEDERAL MONEY AVAILABLE TO THE STATE AND TO PERSONS
8 PARTICIPATING IN THE STATE OPTION FOR HEALTH CARE COVERAGE.

9 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (7)(a)(I)
10 OF THIS SECTION TO THE CONTRARY, THE PREPARATION AND SUBMISSION
11 OF FEDERAL WAIVERS OR AMENDMENTS MUST BE DELAYED IF A MEMBER
12 OF THE GENERAL ASSEMBLY FILES A BILL DURING THE 2020 LEGISLATIVE
13 SESSION BY THE REGULAR BILL FILING DEADLINE OF THE HOUSE OF
14 REPRESENTATIVES, AS SET FORTH IN RULE 23 OF THE JOINT RULES OF THE
15 SENATE AND HOUSE OF REPRESENTATIVES, THAT SUBSTANTIALLY ALTERS
16 THE FEDERAL AUTHORIZATION REQUIRED PURSUANT TO THE PROPOSAL TO
17 IMPLEMENT THE STATE OPTION FOR HEALTH CARE COVERAGE, AND SUCH
18 BILL IS NOT POSTPONED INDEFINITELY IN THE FIRST COMMITTEE OF
19 REFERENCE. THE DEPARTMENT'S AND THE DIVISION'S WAIVER
20 PREPARATION PROCESS SHALL RESUME AFTER THE BILL IS POSTPONED
21 INDEFINITELY OR, IF PASSED BY THE GENERAL ASSEMBLY, THE REQUESTED
22 WAIVERS OR STATE PLAN AMENDMENTS MUST REFLECT THE
23 REQUIREMENTS IN THE PASSED LEGISLATION.

24 (c) SUBJECT TO THE CONDITIONS DESCRIBED IN SUBSECTION (7)(b)
25 OF THIS SECTION, THE STATE DEPARTMENT AND THE DIVISION MAY
26 PROMULGATE RULES, AS NECESSARY, FOR THE PREPARATION AND
27 SUBMISSION OF FEDERAL WAIVERS OR STATE PLAN AMENDMENTS

1 NECESSARY TO FUND AND IMPLEMENT THE PROPOSAL.

2 **SECTION 2. Appropriation.** (1) For the 2018-19 state fiscal
3 year, \$75,000 is appropriated to the department of health care policy and
4 financing for use by the executive director's office. This appropriation is
5 from the general fund. To implement this act, the office may use this
6 appropriation for general professional services and special projects.

7 (2) For the 2018-19 state fiscal year, \$115,500 is appropriated to
8 the department of regulatory agencies for use by the division of insurance.
9 This appropriation is from the general fund. To implement this act, the
10 division may use this appropriation for personal services.

11 **SECTION 3. Appropriation.** (1) For the 2019-20 state fiscal
12 year, \$150,000 is appropriated to the department of health care policy and
13 financing for use by the executive director's office. This appropriation is
14 from the general fund. To implement this act, the office may use this
15 appropriation for general professional services and special projects.

16 (2) For the 2019-20 state fiscal year, \$231,000 is appropriated to
17 the department of regulatory agencies for use by the division of insurance.
18 This appropriation is from the general fund. To implement this act, the
19 division may use this appropriation for personal services.

20 **SECTION 4. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.