

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

INTRODUCED

LLS NO. 19-0915.01 Yelana Love x2295

HOUSE BILL 19-1233

HOUSE SPONSORSHIP

Froelich and Caraveo,

SENATE SPONSORSHIP

Ginal and Moreno,

House Committees
Health & Insurance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PAYMENT SYSTEM REFORMS TO REDUCE HEALTH CARE**
102 **COSTS BY INCREASING UTILIZATION OF PRIMARY CARE.**

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:

- ! Establishes a primary care payment reform collaborative in the division of insurance in the department of regulatory agencies;
- ! Requires the commissioner of insurance to establish affordability standards for premiums, including adding

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.

- ! targets for carrier investments in primary care; and
- ! Requires the department of health care policy and financing and carriers who offer health benefit plans to state employees to set targets for investment in primary care.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) A highly functioning health care system with a robust primary
5 care foundation delivers quality health care at a lower cost;

6 (b) A primary care system with adequate resources would ensure
7 delivery of the right care, in the right place at the right time;

8 (c) Evidence indicates investments in advanced primary care
9 delivery yield net savings, as demonstrated in the Colorado medicaid
10 accountable care collaborative;

11 (d) Additional investments in primary care should come through
12 evidence-based alternative payment models that:

13 (I) Provide incentives for value rather than volume;

14 (II) Are adequate to sustain infrastructure to deliver advanced
15 primary care that is patient-centered, comprehensive, coordinated, and
16 accessible;

17 (III) Direct resources to the patient and the practice level that
18 expand the capacity of the primary care system to equitably meet the
19 health needs of patients; and

20 (IV) Sustain advanced primary care delivery models, such as the
21 patient-centered medical home, that provide quality and accountable care;

22 (e) The share of health care spending on primary care is a critical
23 measure of the primary care orientation of a health care system; and

1 (f) The state of Colorado will achieve more affordable care and
2 better outcomes by consistently measuring and sustaining a system-wide
3 investment in primary care.

4 **SECTION 2.** In Colorado Revised Statutes, **add** 10-16-148 as
5 follows:

6 **10-16-148. Primary care payment reform collaborative -**
7 **created - powers and duties - report - definition - repeal.** (1) THE
8 COMMISSIONER SHALL CONVENE A PRIMARY CARE PAYMENT REFORM
9 COLLABORATIVE TO:

10 (a) CONSULT WITH THE DEPARTMENT OF PERSONNEL, THE
11 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND
12 FINANCING, AND THE ADMINISTRATOR OF THE COLORADO ALL-PAYER
13 HEALTH CLAIMS DATABASE DESCRIBED IN SECTION 25.5-1-204;

14 (b) ADVISE IN THE DEVELOPMENT OF THE AFFORDABILITY
15 STANDARDS AND TARGETS FOR CARRIER INVESTMENTS IN PRIMARY CARE
16 ESTABLISHED IN ACCORDANCE WITH SECTION 10-16-107 (3.5);

17 (c) IN COORDINATION WITH THE ADMINISTRATOR OF THE
18 ALL-PAYER CLAIMS DATABASE DESCRIBED IN SECTION 25.5-1-204,
19 ANALYZE THE PERCENTAGE OF MEDICAL EXPENSES ALLOCATED TO
20 PRIMARY CARE:

21 (I) BY HEALTH INSURERS;

22 (II) UNDER THE "COLORADO MEDICAL ASSISTANCE ACT",
23 ARTICLES 4, 5, AND 6 OF TITLE 25.5; AND

24 (III) UNDER THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE
25 8 OF TITLE 25.5;

26 (d) DEVELOP A RECOMMENDATION TO THE COMMISSIONER ON THE
27 DEFINITION OF PRIMARY CARE FOR THE PURPOSES OF THIS SECTION;

1 (e) REPORT ON CURRENT HEALTH INSURER PRACTICES AND
2 METHODS OF REIMBURSEMENT THAT DIRECT GREATER HEALTH CARE
3 RESOURCES AND INVESTMENTS TOWARD HEALTH CARE INNOVATION AND
4 CARE IMPROVEMENT IN PRIMARY CARE;

5 (f) IDENTIFY BARRIERS TO THE ADOPTION OF ALTERNATIVE
6 PAYMENT MODELS BY HEALTH INSURERS AND PROVIDERS, AND DEVELOP
7 RECOMMENDATIONS TO ADDRESS THE BARRIERS;

8 (g) DEVELOP RECOMMENDATIONS TO INCREASE THE USE OF
9 ALTERNATIVE PAYMENT MODELS THAT ARE NOT PAID ON A
10 FEE-FOR-SERVICE OR PER-CLAIM BASIS TO:

11 (I) INCREASE THE INVESTMENT IN ADVANCED PRIMARY CARE;

12 (II) ALIGN PRIMARY CARE REIMBURSEMENT BY ALL CONSUMERS
13 OF PRIMARY CARE; AND

14 (III) DIRECT INVESTMENT TOWARD HIGHER VALUE PRIMARY CARE
15 SERVICES WITH AN AIM TOWARD REDUCING HEALTH DISPARITIES;

16 (h) CONSIDER HOW TO INCREASE INVESTMENT IN ADVANCED
17 PRIMARY CARE WITHOUT INCREASING COSTS TO CONSUMERS OR
18 INCREASING THE TOTAL COST OF HEALTH CARE; AND

19 (i) DEVELOP AND SHARE BEST PRACTICES AND TECHNICAL
20 ASSISTANCE TO HEALTH INSURERS AND CONSUMERS, WHICH MAY INCLUDE:

21 (I) ALIGNING QUALITY METRICS AS DEVELOPED IN THE STATE
22 INNOVATION MODEL;

23 (II) FACILITATING THE INTEGRATION OF BEHAVIORAL AND
24 PHYSICAL PRIMARY CARE;

25 (III) PRACTICE TRANSFORMATION; AND

26 (IV) THE DELIVERY OF ADVANCED PRIMARY CARE THAT
27 FACILITATES APPROPRIATE UTILIZATION OF SERVICES IN APPROPRIATE

1 SETTINGS.

2 (2) THE COMMISSIONER SHALL INVITE REPRESENTATIVES FROM THE
3 FOLLOWING TO PARTICIPATE IN THE PRIMARY CARE PAYMENT REFORM
4 COLLABORATIVE:

5 (a) HEALTH CARE PROVIDERS, INCLUDING PRIMARY CARE
6 PROVIDERS;

7 (b) HEALTH CARE CONSUMERS;

8 (c) EMPLOYERS THAT PURCHASE HEALTH INSURANCE FOR
9 EMPLOYEES AND EMPLOYERS THAT OFFER SELF-INSURED HEALTH BENEFIT
10 PLANS;

11 (d) HEALTH INSURERS, INCLUDING ENTITIES THAT CONTRACT WITH
12 THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING AS MANAGED
13 CARE ENTITIES;

14 (e) THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID
15 SERVICES;

16 (f) THE PRIMARY CARE OFFICE IN THE DEPARTMENT OF PUBLIC
17 HEALTH AND ENVIRONMENT CREATED PURSUANT TO SECTION 25-1.5-403;

18 (g) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH
19 CARE POLICY AND FINANCING; AND

20 (h) EXPERTS IN HEALTH INSURANCE ACTUARIAL ANALYSIS.

21 (3) THE COMMISSIONER SHALL CONVENE THE PRIMARY CARE
22 PAYMENT REFORM COLLABORATIVE ON OR BEFORE JULY 15, 2019.

23 (4) BY OCTOBER 15, 2019, AND BY EACH OCTOBER 15
24 THEREAFTER, THE PRIMARY CARE PAYMENT REFORM COLLABORATIVE
25 SHALL PUBLISH PRIMARY CARE PAYMENT REFORM RECOMMENDATIONS,
26 INFORMED BY THE PRIMARY CARE SPENDING REPORT PREPARED IN
27 ACCORDANCE WITH SECTION 25.5-1-204 (3)(c). THE COLLABORATIVE

1 SHALL MAKE THE REPORT AVAILABLE ELECTRONICALLY TO THE GENERAL
2 PUBLIC.

3 (5) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
4 OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF
5 THIS SECTION.

6 (6) AS USED IN THIS SECTION, "HEALTH INSURER" MEANS:

7 (a) A CARRIER THAT IS SUBJECT TO PART 2, 3, OR 4 OF THIS ARTICLE
8 16 AND THAT IS OFFERING HEALTH BENEFIT PLANS IN COLORADO; AND

9 (b) A CARRIER THAT PROVIDES OR ADMINISTERS A GROUP BENEFIT
10 PLAN FOR STATE EMPLOYEES PURSUANT TO PART 6 OF ARTICLE 50 OF TITLE
11 24.

12 (7) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.
13 BEFORE THE REPEAL, THE FUNCTIONS OF THE PRIMARY CARE PAYMENT
14 REFORM COLLABORATIVE ARE SCHEDULED FOR REVIEW IN ACCORDANCE
15 WITH SECTION 24-34-104.

16 **SECTION 3.** In Colorado Revised Statutes, 10-1-108, **amend** (7)
17 as follows:

18 **10-1-108. Duties of commissioner - reports - publications - fees**
19 **- disposition of funds - adoption of rules - examinations and**
20 **investigations.** (7) (a) It is the duty and responsibility of the
21 commissioner to supervise the business of insurance in this state to assure
22 that it is conducted in accordance with the laws of this state and in such
23 a manner as to protect policyholders and the general public.

24 (b) IN COMPLYING WITH THIS SUBSECTION (7), THE COMMISSIONER
25 SHALL:

26 (I) ENCOURAGE THE FAIR TREATMENT OF HEALTH CARE
27 PROVIDERS, INCLUDING PRIMARY CARE PROVIDERS;

1 (II) ENCOURAGE POLICIES AND DEVELOPMENTS, INCLUDING
2 INCREASED INVESTMENTS IN PRIMARY CARE, THAT DECREASE HEALTH
3 DISPARITIES AND IMPROVE THE QUALITY, EFFICIENCY, AND AFFORDABILITY
4 OF HEALTH CARE SERVICE DELIVERY AND OUTCOMES; AND

5 (III) VIEW THE HEALTH CARE SYSTEM AS A COMPREHENSIVE
6 ENTITY AND ENCOURAGE AND DIRECT HEALTH INSURERS TOWARD POLICIES
7 THAT ADVANCE THE WELFARE OF THE PUBLIC THROUGH OVERALL
8 EFFICIENCY, AFFORDABILITY, IMPROVED HEALTH CARE QUALITY, AND
9 APPROPRIATE ACCESS.

10 **SECTION 4.** In Colorado Revised Statutes, 10-16-107, **amend**
11 (2)(a)(I); and **add** (3.5) as follows:

12 **10-16-107. Rate filing regulation - benefits ratio - rules.**

13 (2) (a) (I) Rates for an individual health coverage plan issued or
14 delivered to any policyholder, enrollee, subscriber, or member in
15 Colorado by an insurer subject to part 2 of this ~~article~~ ARTICLE 16 or an
16 entity subject to part 3 or 4 of this ~~article~~ ARTICLE 16 shall not be
17 excessive, inadequate, or unfairly discriminatory to assure compliance
18 with the requirements of this section that rates are not excessive in
19 relation to benefits. Rates are excessive if they are likely to produce a
20 long run profit that is unreasonably high for the insurance provided or if
21 expenses are unreasonably high in relation to services rendered. In
22 determining if rates are excessive, the commissioner may consider:

23 (A) The expected filed rates in relation to the actual rates charged;

24 (B) WHETHER THE CARRIER'S PRODUCTS ARE AFFORDABLE; AND

25 (C) WHETHER THE CARRIER HAS IMPLEMENTED EFFECTIVE
26 STRATEGIES TO ENHANCE THE AFFORDABILITY OF ITS PRODUCTS.

27 (3.5) THE COMMISSIONER SHALL PROMULGATE RULES

1 ESTABLISHING AFFORDABILITY STANDARDS FOR PREMIUMS. THESE
2 STANDARDS MUST INCLUDE APPROPRIATE TARGETS FOR CARRIER
3 INVESTMENTS IN PRIMARY CARE. IN DEVELOPING THESE STANDARDS, THE
4 COMMISSIONER SHALL CONSIDER THE RECOMMENDATIONS OF THE
5 PRIMARY CARE PAYMENT REFORM COLLABORATIVE CREATED IN SECTION
6 10-16-148.

7 **SECTION 5.** In Colorado Revised Statutes, **add** 24-50-620 as
8 follows:

9 **24-50-620. Targets for investment in primary care.** A CARRIER
10 SHALL ADOPT APPROPRIATE TARGETS FOR INVESTMENTS IN PRIMARY CARE
11 TO SUPPORT VALUE-BASED HEALTH CARE DELIVERY IN ALIGNMENT WITH
12 THE AFFORDABILITY STANDARDS DEVELOPED IN ACCORDANCE WITH
13 SECTION 10-16-107 (3.5).

14 **SECTION 6.** In Colorado Revised Statutes, 25.5-1-204, **add**
15 (3)(c) as follows:

16 **25.5-1-204. Advisory committee to oversee the all-payer health**
17 **claims database - creation - members - duties - legislative declaration**
18 **- rules - report.** (3) (c) (I) BY AUGUST 31, 2019, AND BY EACH AUGUST
19 31 THEREAFTER, THE ADMINISTRATOR SHALL PROVIDE A PRIMARY CARE
20 SPENDING REPORT TO THE COMMISSIONER OF INSURANCE FOR USE BY THE
21 PRIMARY CARE PAYMENT REFORM COLLABORATIVE ESTABLISHED IN
22 SECTION 10-16-148 REGARDING PRIMARY CARE SPENDING:

23 (A) BY CARRIERS, AS DEFINED IN SECTIONS 10-16-102 (8) AND
24 24-50-603 (2);

25 (B) UNDER THE "COLORADO MEDICAL ASSISTANCE ACT",
26 ARTICLES 4, 5, AND 6 OF THIS TITLE 25.5; AND

27 (C) UNDER THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE

1 8 OF THIS TITLE 25.5.

2 (II) THE REPORT PREPARED IN ACCORDANCE WITH THIS
3 SUBSECTION (3)(c) MUST INCLUDE THE PERCENTAGE OF THE MEDICAL
4 EXPENSES ALLOCATED TO PRIMARY CARE, THE SHARE OF PAYMENTS THAT
5 ARE MADE THROUGH NATIONALLY RECOGNIZED ALTERNATIVE PAYMENT
6 MODELS, AND THE SHARE OF PAYMENTS THAT ARE NOT PAID ON A
7 FEE-FOR-SERVICE OR PER-CLAIM BASIS.

8 **SECTION 7.** In Colorado Revised Statutes, **add** 25.5-4-423 as
9 follows:

10 **25.5-4-423. Targets for investments in primary care.** THE
11 STATE DEPARTMENT SHALL ADOPT APPROPRIATE TARGETS FOR
12 INVESTMENTS IN PRIMARY CARE TO SUPPORT VALUE-BASED HEALTH CARE
13 DELIVERY IN ALIGNMENT WITH THE AFFORDABILITY STANDARDS
14 DEVELOPED IN ACCORDANCE WITH SECTION 10-16-107 (3.5).

15 **SECTION 8.** In Colorado Revised Statutes, 24-34-104, **add**
16 (26)(a)(VIII) as follows:

17 **24-34-104. General assembly review of regulatory agencies**
18 **and functions for repeal, continuation, or reestablishment - legislative**
19 **declaration - repeal.** (26) (a) The following agencies, functions, or both,
20 are scheduled for repeal on September 1, 2025:

21 (VIII) THE PRIMARY CARE PAYMENT REFORM COLLABORATIVE
22 ESTABLISHED IN SECTION 10-16-148.

23 **SECTION 9. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, and safety.