

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:

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

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

5 **10-16-152. Consumer cost-sharing study - third-party**
6 **accounting firm - reports - repeal.** (1) THE DIVISION SHALL CONTRACT
7 WITH A THIRD-PARTY ACCOUNTING FIRM TO CONDUCT A CONSUMER
8 COST-SHARING STUDY.

9 (2) THE THIRD-PARTY ACCOUNTING FIRM SHALL STUDY:

10 (a) TRENDS IN CARRIER PLAN DESIGN, CONSUMER PLAN SELECTION,
11 AND UTILIZATION OF SERVICES USING DATA AVAILABLE FROM 2014
12 THROUGH 2020;

13 (b) THE TOTAL OUT-OF-POCKET COSTS INCURRED BY COVERED
14 PERSONS IN COLORADO, INCLUDING ALL COST-SHARING AMOUNTS;

15 (c) THE PREMIUM IMPACTS ON CONSUMERS IN THE STATE IF
16 CARRIERS COULD NOT TERMINATE COVERAGE IF A CONSUMER FAILS TO
17 PAY THE CONSUMER'S COST-SHARING AMOUNTS;

18 (d) THE FINANCIAL AFFECTS ON INDIVIDUAL PROVIDERS, PROVIDER
19 GROUPS, HOSPITALS, AND HEALTH SYSTEMS AS A RESULT OF UNCOLLECTED
20 COST-SHARING AMOUNTS FROM COVERED PERSONS;

21 (e) THE SPECIFIC AMOUNT OF UNCOLLECTED MEDICAL DEBT
22 FORMALLY CLAIMED ON AN ANNUAL BASIS BY HOSPITALS AND PROVIDERS
23 THROUGH FINANCIAL STATEMENTS AND TAX FILINGS, INCLUDING HOW

1 HOSPITALS AND PROVIDERS ARE ABLE TO WRITE OFF MEDICAL DEBT;
2 (f) THE ANNUAL ADMINISTRATIVE EXPENSES FOR PROVIDERS AND
3 HOSPITALS ATTRIBUTABLE TO THE COLLECTION OF PATIENT COST-SHARING
4 AMOUNTS AS CLAIMED ON FORMAL FINANCIAL STATEMENTS AND TAX
5 FILINGS;
6 (g) THE REDUCTION IN ANNUAL ADMINISTRATION EXPENSES FOR
7 PROVIDERS AND HOSPITALS ATTRIBUTABLE TO THE COLLECTION OF
8 PATIENT COST-SHARING AMOUNTS IF CARRIERS OFFERING HEALTH CARE
9 PLANS WERE REQUIRED TO COLLECT ALL PATIENT COST-SHARING
10 AMOUNTS;
11 (h) POLICY OPTIONS TO HELP SIMPLIFY BILLING SYSTEMS FOR
12 COVERED PERSONS, INCLUDING:
13 (I) THE EXAMINATION OF EXISTING PAYMENT MODELS THAT
14 REQUIRE CARRIERS TO COLLECT COINSURANCE, COPAYMENTS, OR
15 DEDUCTIBLES;
16 (II) REQUIRING HOSPITALS TO SUBMIT ONE UNIFORM BILL TO A
17 COVERED PERSON FOR ALL HEALTH CARE SERVICES PROVIDED TO THE
18 COVERED PERSON WITHIN THE HOSPITAL OR HEALTH SYSTEM DURING A
19 SINGLE EPISODE OF CARE WITHIN THIRTY DAYS AFTER THE CARE EPISODE;
20 (III) REDUCING THE SIGNIFICANT RATE VARIABILITY FOR HEALTH
21 CARE SERVICES BETWEEN HEALTH CARE SETTINGS; AND
22 (IV) THE COST SAVINGS THAT WOULD RESULT TO PATIENTS FROM
23 A STATE REQUIREMENTS FOR SITE NEUTRAL PAYMENTS;
24 (i) THE VIABILITY AND ESTIMATED COST SAVINGS OF REQUIRING
25 ALL CARRIERS IN THE INDIVIDUAL MARKET TO COLLECT COINSURANCE,
26 COPAYMENTS, OR DEDUCTIBLES, INCLUDING CONSIDERATION OF:
27 (I) THE COST IMPACTS TO CARRIERS TO BUILD AND ADMINISTER A
28 NEW AND SEPARATE BILLING AND COST SHARE COLLECTIONS PROCESS FOR
29 THE INDIVIDUAL MARKET;
30 (II) IMPACTS TO INDIVIDUAL MARKET HEALTH PLAN PREMIUMS
31 THAT WOULD RESULT FROM CARRIERS BUILDING NEW BILLING AND COST
32 SHARE COLLECTION SYSTEMS FOR INDIVIDUAL MARKET MEMBERS;
33 (III) THE IMPACT OF CARRIERS ABSORBING ALL UNCOLLECTED
34 MEDICAL DEBT FROM HOSPITALS AND PROVIDERS; AND
35 (IV) THE COST IMPACTS FOR SMALL BUSINESS EMPLOYERS
36 SPONSORING HEALTH INSURANCE COVERAGE FOR THEIR EMPLOYEES ON
37 THE INDIVIDUAL MARKET;
38 (j) THE AMOUNT OF MONEY THAT IS SPENT ON BILLING AND
39 COLLECTIONS BY PROVIDERS, BASED ON WHETHER THE PROVIDER IS IN A
40 LARGE FACILITY OR A SMALL FACILITY;
41 (k) THE AMOUNT OF MONEY FORMALLY CLAIMED BY PROVIDERS

1 AND HOSPITALS IN FORMAL FINANCIAL STATEMENTS, OR OTHER
2 SUBMISSIONS TO STATE OR FEDERAL GOVERNMENT AGENCIES, OR TAX
3 FILINGS THAT IS SPENT ON BILLING BY PROVIDERS, BASED ON WHETHER
4 THE PROVIDER IS IN A LARGE FACILITY OR A SMALL FACILITY;

5 (l) THE AMOUNT OF MONEY FORMALLY CLAIMED BY PROVIDERS
6 AND HOSPITALS IN FORMAL FINANCIAL STATEMENTS, OR OTHER
7 SUBMISSIONS TO STATE OR FEDERAL GOVERNMENT AGENCIES, OR TAX
8 FILINGS THAT IS SPENT ON COLLECTIONS BY PROVIDERS, BASED ON
9 WHETHER THE PROVIDER IS IN A LARGE FACILITY OR A SMALL FACILITY;

10 (m) THE EXTENT TO WHICH A CHANGE IN THE BILLING STRUCTURE
11 COULD CREATE A BURDEN ON PROVIDERS OR CARRIERS OR CREATE
12 CONFUSION FOR CONSUMERS;

13 (n) WHETHER A SHIFT IN BILLING WOULD EFFECT NEGOTIATIONS
14 BETWEEN PROVIDERS AND CARRIERS;

15 (o) THE NUMBER BILLS SENT BY PROVIDERS TO CONSUMERS, THE
16 TIMING OF THE BILLS, AND THE CLARITY OF THE BILLS;

17 (p) THE AMOUNT OF MEDICAL DEBT IN COLORADO FORMALLY
18 CLAIMED BY PROVIDERS AND HOSPITALS IN FORMAL FINANCIAL
19 STATEMENTS OR OTHER SUBMISSIONS TO STATE OR FEDERAL GOVERNMENT
20 AGENCIES OR TAX FILINGS AND THE AFFECT OF THAT DEBT ON PREMIUMS;

21 (q) THE TOTAL ADMINISTRATIVE COSTS ON PROVIDERS, BASED BY
22 PROVIDER SIZE;

23 (r) HOW COST SAVINGS AT THE HOSPITAL AND PROVIDER LEVEL
24 WOULD BE REALIZED, INCLUDING THE EXPECTED REDUCTION IN RATES;

25 (s) THE NUMBER AND TYPES OF CHARITY CARE CURRENTLY
26 OFFERED BY PROVIDERS IN THE STATE AND FORMALLY CLAIMED BY
27 PROVIDERS AND HOSPITALS IN FORMAL FINANCIAL STATEMENTS OR OTHER
28 SUBMISSIONS TO STATE OR FEDERAL GOVERNMENT AGENCIES OR TAX
29 FILINGS;

30 (t) WHETHER THE STATE SHOULD ESTABLISH BILLING TIMELINES TO
31 ENSURE THAT PROVIDERS BILL CARRIERS IN A TIMELY MANNER; AND

32 (u) THE EXISTING FEDERAL AND STATE LAWS PERTAINING TO
33 COST-SHARING RATIOS TO BEING BUILT INTO VARIOUS PLAN DESIGNS;

34 (3) IN CONDUCTING THE STUDY REQUIRED IN SUBSECTION (2) OF
35 THIS SECTION, THE THIRD-PARTY ACCOUNTING FIRM SHALL CONSULT WITH
36 STAKEHOLDERS WHO REPRESENT THE FOLLOWING:

37 (a) AN ORGANIZATION OF STATEWIDE HOSPITALS;

38 (b) AN ORGANIZATION OF PHYSICIANS;

39 (c) AN ORGANIZATION OF COLORADO HEALTH PLANS;

40 (d) HEALTH PLANS;

41 (e) A COLORADO URBAN HEALTH SYSTEM;

- 1 (f) A CONSUMER ADVOCATE;
- 2 (g) A PROVIDER SERVING LOW-INCOME OR VULNERABLE
- 3 POPULATIONS;
- 4 (h) NONPHYSICIAN PROVIDER ORGANIZATIONS;
- 5 (i) PHYSICIAN SPECIALTY SOCIETIES THAT REPRESENT
- 6 ANESTHESIOLOGISTS, EMERGENCY CARE PHYSICIANS, AND RADIOLOGISTS;
- 7 AND
- 8 (j) AN ORGANIZATION THAT REPRESENTS EMPLOYERS.

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

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

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

22 **SECTION 2. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly (August
25 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
26 referendum petition is filed pursuant to section 1 (3) of article V of the
27 state constitution against this act or an item, section, or part of this act
28 within such period, then the act, item, section, or part will not take effect
29 unless approved by the people at the general election to be held in
30 November 2020 and, in such case, will take effect on the date of the
31 official declaration of the vote thereon by the governor."

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

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