

CHAPTER 314

INSURANCE

SENATE BILL 17-300

BY SENATOR(S) Lambert, Aguilar, Crowder, Donovan, Guzman, Kefalas, Lundberg, Martinez Humenik, Moreno, Williams A., Grantham;

also REPRESENTATIVE(S) Kennedy, Buckner, Danielson, Esgar, Ginal, Hamner, Hansen, Hooton, Kraft-Tharp, Lontine, Michaelson Jenet, Pettersen, Singer, Weissman, Young, Duran.

AN ACT

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

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

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

ARTICLE 22.5
Colorado High-risk Health Care Coverage Study

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

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

10-22.5-103. Definitions. AS USED IN THIS ARTICLE 22.5, UNLESS THE CONTEXT

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

OTHERWISE REQUIRES:

- (1) "CARRIER" HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-102 (8).
- (2) "COMMISSIONER" MEANS THE COMMISSIONER OF INSURANCE OR THE COMMISSIONER'S DESIGNEE.
- (3) "DIVISION" MEANS THE DIVISION OF INSURANCE ESTABLISHED IN SECTION 10-1-103.
- (4) "FEDERAL ACT" MEANS THE "PATIENT PROTECTION AND AFFORDABLE CARE ACT", PUB.L. 111-148, AS AMENDED BY THE "HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010", PUB.L. 111-152, AND AS MAY BE FURTHER AMENDED, AND INCLUDING ANY FEDERAL REGULATIONS ADOPTED UNDER THE FEDERAL ACT.
- (5) "HIGH-RISK INDIVIDUAL" MEANS AN INDIVIDUAL WHO HAS A MEDICAL CONDITION THAT IS LIKELY TO RESULT IN HIGH HEALTH CARE COSTS.
- (6) "REINSURANCE" MEANS A SYSTEM IN WHICH A CARRIER MAY ARRANGE WITH ANOTHER ENTITY FOR PAYMENT OF SERVICES FOR HIGH-RISK INDIVIDUALS ENROLLED IN THE CARRIER'S HEALTH PLAN, AND IN WHICH ALL COVERED PERSONS, HEALTHY AND SICK, ARE IN A SINGLE POOL AND HAVE THE SAME CHOICE OF HEALTH PLANS.

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

(2) AS PART OF THE STUDY, THE COMMISSIONER SHALL EXPLORE THE FEASIBILITY OF MAINTAINING HEALTH CARE COVERAGE FOR HIGH-RISK INDIVIDUALS AND REDUCING PREMIUMS THROUGH A REINSURANCE PROGRAM OR OTHER HIGH-RISK PROGRAMS AND SHALL TAKE INTO CONSIDERATION:

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

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

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

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

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

(b) IN ADDITION TO SUBMITTING THE REPORT AS REQUIRED BY THIS SUBSECTION (3), THE COMMISSIONER SHALL PRESENT THE REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE AND THE HEALTH, INSURANCE, AND ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, DURING THE COMMITTEES' HEARINGS HELD PRIOR TO THE 2018 REGULAR SESSION UNDER THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

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

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

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 9, 2017, if adjournment sine die is on May 10, 2017); 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 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 2, 2017