

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 18-0626.01 Kristen Forrestal x4217

HOUSE BILL 18-1365

HOUSE SPONSORSHIP

Ginal and Sias,

SENATE SPONSORSHIP

Priola and Moreno,

House Committees

Health, Insurance, & Environment
Legislative Council

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A PRIMARY CARE PAYMENT REFORM COLLABORATIVE TO**
102 **EVALUATE INVESTMENT IN 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 primary care office in the department of public health and environment. To facilitate the collaborative's work, the administrator of the all-payer health claims database is to report data on primary care spending by private health insurers, insurers providing state employee health benefit plans, and the department of health care policy and

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.

financing under the state medicaid program and the children's basic health plan.

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 yields net savings, as demonstrated in the Colorado medicaid
10 accountable care collaborative;

11 (d) The share of health spending on primary care is a critical
12 measure of the primary care orientation of a health care system;

13 (e) The state of Colorado will achieve more affordable care and
14 better outcomes by consistently measuring and sustaining a system-wide
15 investment in primary care; and

16 (f) Additional investments in primary care should come through
17 evidence-based alternative payment models that:

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

19 (II) Are adequate to sustain infrastructure to deliver advanced
20 primary care that is patient-centered, comprehensive, coordinated, and
21 accessible;

22 (III) Direct resources to the patient and the practice level that
23 expand the capacity of the primary care system to meet the health needs
24 of patients; and

25 (IV) Sustain advanced primary care delivery models, such as the

1 patient-centered medical home, that provide quality and accountable care.

2 **SECTION 2.** In Colorado Revised Statutes, **add** 25-1.5-406 as
3 follows:

4 **25-1.5-406. Primary care - payment reform collaborative**
5 **created - powers and duties - report - repeal.** (1) THE PRIMARY CARE
6 OFFICE SHALL CONVENE A PRIMARY CARE PAYMENT REFORM
7 COLLABORATIVE TO PERFORM THE FOLLOWING FUNCTIONS:

8 (a) CONSULT WITH THE COMMISSIONER OF INSURANCE, THE
9 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND
10 FINANCING, AND THE ADMINISTRATOR OF THE COLORADO ALL-PAYER
11 HEALTH CLAIMS DATABASE CREATED IN SECTION 25.5-1-204;

12 (b) ANALYZE THE PERCENTAGE OF MEDICAL EXPENSES THAT IS
13 ALLOCATED TO PRIMARY CARE:

14 (I) BY CARRIERS, AS DEFINED IN SECTIONS 10-16-102 (8) AND
15 24-50-603 (2);

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

18 (III) UNDER THE "CHILDREN'S BASIC HEALTH PLAN ACT", ARTICLE
19 8 OF TITLE 25.5;

20 (c) DETERMINE THE DEFINITION OF PRIMARY CARE FOR THE
21 PURPOSES OF THIS PART 4;

22 (d) REPORT ON CURRENT CARRIER PRACTICES AND METHODS OF
23 REIMBURSEMENT THAT DIRECT GREATER HEALTH CARE RESOURCES AND
24 INVESTMENTS TOWARD HEALTH CARE INNOVATION AND CARE
25 IMPROVEMENT IN PRIMARY CARE;

26 (e) IDENTIFY BARRIERS TO THE ADOPTION OF ALTERNATIVE
27 PAYMENT MODELS BY CARRIERS AND PRACTICES, AND DEVELOP

1 RECOMMENDATIONS TO ADDRESS THE BARRIERS;

2 (f) DEVELOP RECOMMENDATIONS TO INCREASE THE USE OF
3 ALTERNATIVE PAYMENT MODELS THAT ARE NOT PAID ON A
4 FEE-FOR-SERVICE PER CLAIM BASIS TO:

5 (I) INCREASE THE INVESTMENT IN PRIMARY CARE;

6 (II) ALIGN PRIMARY CARE REIMBURSEMENT BY ALL PURCHASERS
7 OF PRIMARY CARE; AND

8 (III) DIRECT INVESTMENT TOWARD HIGHER VALUE PRIMARY CARE
9 SERVICES;

10 (g) CONSIDER HOW TO INCREASE INVESTMENT IN PRIMARY CARE
11 WITHOUT INCREASING COSTS TO CONSUMERS OR INCREASING THE TOTAL
12 COST OF HEALTH CARE;

13 (h) DEVELOP AND SHARE BEST PRACTICES AND TECHNICAL
14 ASSISTANCE TO CLINICS AND PAYERS, WHICH MAY INCLUDE:

15 (I) ALIGNING QUALITY METRICS AS DEVELOPED IN THE STATE
16 INNOVATION MODEL;

17 (II) FACILITATING THE INTEGRATION OF BEHAVIORAL AND
18 PHYSICAL PRIMARY CARE;

19 (III) PRACTICE TRANSFORMATION; AND

20 (IV) THE DELIVERY OF ADVANCED PRIMARY CARE THAT
21 FACILITATES APPROPRIATE UTILIZATION OF SERVICES IN APPROPRIATE
22 SETTINGS.

23 (2) THE PRIMARY CARE OFFICE SHALL INVITE REPRESENTATIVES
24 FROM THE FOLLOWING TO PARTICIPATE IN THE PRIMARY CARE PAYMENT
25 REFORM COLLABORATIVE:

26 (a) PRIMARY CARE PROVIDERS;

27 (b) HEALTH CARE CONSUMERS;

- 1 (c) EXPERTS IN PRIMARY CARE CONTRACTING AND
2 REIMBURSEMENT;
- 3 (d) INDEPENDENT PRACTICE ASSOCIATIONS;
- 4 (e) BEHAVIORAL HEALTH TREATMENT PROVIDERS;
- 5 (f) THIRD-PARTY ADMINISTRATORS;
- 6 (g) EMPLOYERS THAT PURCHASE HEALTH INSURANCE FOR
7 EMPLOYEES;
- 8 (h) EMPLOYERS THAT OFFER SELF-INSURED HEALTH BENEFIT
9 PLANS;
- 10 (i) HEALTH INSURANCE CARRIERS;
- 11 (j) A STATEWIDE ASSOCIATION OF HEALTH INSURANCE CARRIERS;
- 12 (k) A MEMBERSHIP ORGANIZATION REPRESENTING COMMUNITY
13 BEHAVIORAL HEALTH CARE PROVIDERS;
- 14 (l) A STATEWIDE ORGANIZATION REPRESENTING FEDERALLY
15 QUALIFIED HEALTH CENTERS;
- 16 (m) A STATEWIDE ORGANIZATION REPRESENTING HOSPITALS AND
17 HEALTH SYSTEMS;
- 18 (n) A STATEWIDE PROFESSIONAL ASSOCIATION FOR FAMILY
19 PHYSICIANS;
- 20 (o) A STATEWIDE PROFESSIONAL ASSOCIATION FOR PEDIATRICIANS;
- 21 (p) A STATEWIDE PROFESSIONAL SOCIETY WHOSE MEMBERSHIP
22 INCLUDES AT LEAST ONE-THIRD OF THE DOCTORS OF MEDICINE OR
23 OSTEOPATHY LICENSED IN THE STATE;
- 24 (q) A PRIMARY CARE INTERNAL MEDICINE PHYSICIAN FROM A
25 STATEWIDE PROFESSIONAL SOCIETY THAT REPRESENTS INTERNISTS;
- 26 (r) AN EMERGENCY DEPARTMENT PHYSICIAN;
- 27 (s) A STATEWIDE PROFESSIONAL ASSOCIATION FOR ADVANCED

1 PRACTICE NURSES;

2 (t) A STATEWIDE PROFESSIONAL ASSOCIATION FOR PHYSICIAN
3 ASSISTANTS;

4 (u) THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID
5 SERVICES;

6 (v) THE COMMISSIONER OF INSURANCE;

7 (w) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH
8 CARE POLICY AND FINANCING;

9 (x) EXPERTS IN HEALTH INSURANCE ACTUARIAL ANALYSIS; AND

10 (y) A MEMBER OF THE SENATE DESIGNATED BY THE PRESIDENT OF
11 THE SENATE AND A MEMBER OF THE HOUSE OF REPRESENTATIVES
12 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

13 (3) EXCEPT AS SET FORTH IN SUBSECTION (5) OF THIS SECTION, THE
14 PRIMARY CARE OFFICE SHALL CONVENE THE PRIMARY CARE PAYMENT
15 REFORM COLLABORATIVE ON OR BEFORE SEPTEMBER 1, 2018.

16 (4) BY OCTOBER 15 OF THE YEAR AFTER IT IS CONVENED AND BY
17 EACH OCTOBER 15 THEREAFTER, THE PRIMARY CARE PAYMENT REFORM
18 COLLABORATIVE SHALL PUBLISH A REPORT ON PRIMARY CARE SPENDING
19 AND PRIMARY CARE PAYMENT REFORM RECOMMENDATIONS. THE PRIMARY
20 CARE PAYMENT REFORM COLLABORATIVE SHALL MAKE THE REPORT
21 AVAILABLE ELECTRONICALLY TO THE GENERAL PUBLIC.

22 (5) THE PRIMARY CARE OFFICE MAY SEEK, ACCEPT, AND EXPEND
23 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR
24 THE PURPOSES OF THIS SECTION. THE DEPARTMENT IS NOT REQUIRED TO
25 CONVENE THE PRIMARY CARE PAYMENT REFORM COLLABORATIVE IN THE
26 FISCAL YEAR COMMENCING ON JULY 1, 2018, UNLESS IT RECEIVES
27 SUFFICIENT GIFTS, GRANTS, AND DONATIONS TO ADMINISTER THIS SECTION.

1 NOTWITHSTANDING SECTION 24-75-1305, THE GENERAL ASSEMBLY MAY
2 APPROPRIATE MONEY TO THE DEPARTMENT FOR THE PURPOSES OF THIS
3 SECTION FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2019, AND EACH
4 FISCAL YEAR THEREAFTER, IF THE DEPARTMENT RECEIVES INSUFFICIENT
5 GIFTS, GRANTS, AND DONATIONS.

6 (6) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024.
7 BEFORE ITS REPEAL, THE FUNCTIONS OF THE PRIMARY CARE PAYMENT
8 REFORM COLLABORATIVE ARE SCHEDULED FOR REVIEW IN ACCORDANCE
9 WITH SECTION 24-34-104.

10 SECTION 3. In Colorado Revised Statutes, 24-34-104, **add**
11 (25)(a)(XVII) as follows:

12 24-34-104. **General assembly review of regulatory agencies**
13 **and functions for repeal, continuation, or reestablishment - legislative**
14 **declaration - repeal.** (25) (a) The following agencies, functions, or both,
15 are scheduled for repeal on September 1, 2024:

16 (XVII) THE PRIMARY CARE PAYMENT REFORM COLLABORATIVE
17 ESTABLISHED IN SECTION 25-1.5-406.

18 SECTION 4. In Colorado Revised Statutes, 25-1.5-404, **amend**
19 (1)(f) and (1)(g); and **add** (1)(h) as follows:

20 25-1.5-404. **Primary care office - powers and duties - rules.**

21 (1) The primary care office has, at a minimum, the following powers and
22 duties:

23 (f) To seek and accept public or private gifts, grants, or donations
24 to apply to the costs incurred in fulfilling the duties specified in this
25 section and otherwise administering the programs within the office; ~~and~~

26 (g) To administer nursing and health care professional faculty loan
27 repayment pursuant to part 5 of this article 1.5; AND

1 (h) TO CONVENE A PRIMARY CARE PAYMENT REFORM
2 COLLABORATIVE PURSUANT TO SECTION 25-1.5-406.

3 **SECTION 5.** In Colorado Revised Statutes, 25.5-1-204, **amend**
4 (6)(c); and **add** (3)(c) as follows:

5 **25.5-1-204. Advisory committee to oversee the all-payer health**
6 **claims database - creation - members - duties - legislative declaration**
7 **- rules.** (3) (c) (I) ON OR BEFORE AUGUST 31, 2019, THE ADMINISTRATOR
8 SHALL PROVIDE A REPORT TO THE PRIMARY CARE OFFICE IN THE
9 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, FOR USE BY THE
10 PRIMARY CARE PAYMENT REFORM COLLABORATIVE ESTABLISHED
11 PURSUANT TO SECTION 25-1.5-406, REGARDING PRIMARY CARE SPENDING:

12 (A) BY CARRIERS, AS DEFINED IN SECTIONS 10-16-102 (8) AND
13 24-50-603 (2);

14 (B) BY THE STATE DEPARTMENT UNDER THE "COLORADO MEDICAL
15 ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF THIS TITLE 25.5; AND

16 (C) BY THE STATE DEPARTMENT UNDER THE "CHILDREN'S BASIC
17 HEALTH PLAN ACT", ARTICLE 8 OF THIS TITLE 25.5.

18 (II) THE EXECUTIVE DIRECTOR SHALL, IN CONSULTATION WITH THE
19 DIVISION OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES
20 AND THE PRIMARY CARE PAYMENT REFORM COLLABORATIVE ESTABLISHED
21 PURSUANT TO SECTION 25-1.5-406, PROMULGATE RULES PRESCRIBING THE
22 PRIMARY CARE SERVICES FOR WHICH COSTS MUST BE INCLUDED IN THE
23 REPORT.

24 (III) THE REPORT MUST INCLUDE THE PERCENTAGE OF THE
25 MEDICAL EXPENSE ALLOCATED TO PRIMARY CARE AND THE SHARE OF
26 PAYMENTS THAT ARE MADE THROUGH NATIONALLY RECOGNIZED
27 ALTERNATIVE PAYMENT MODELS, AS WELL AS THE SHARE OF PAYMENTS

1 THAT ARE NOT PAID ON A FEE-FOR-SERVICE OR PER-CLAIM BASIS.

2 (6) The administrator, with input from the advisory committee:

3 (c) (I) Shall determine the data elements to be collected, the
4 reporting formats for data submitted, and the use and reporting of any
5 data submitted. Data collection shall align with national, regional, and
6 other uniform all-payer claims databases' standards where possible.

7 (II) THE DATA ELEMENTS MUST INCLUDE NON-FEE-FOR-SERVICE
8 CLAIMS PAYMENTS FOR PRIMARY CARE, INCLUDING PER-MEMBER,
9 PER-MONTH, CAPITATED, AND PAY-FOR-PERFORMANCE PAYMENTS,
10 SUBMITTED BY:

11 (A) CARRIERS, AS DEFINED IN SECTIONS 10-16-102 (8) AND
12 24-50-603 (2); AND

13 (B) THE STATE DEPARTMENT, FOR PROGRAMS ADMINISTERED
14 UNDER THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4, 5, AND
15 6 OF THIS TITLE 25.5, AND UNDER THE "CHILDREN'S BASIC HEALTH PLAN
16 ACT", ARTICLE 8 OF THIS TITLE 25.5.

17 **SECTION 6. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2018 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.