

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

PREAMENDED

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

LLS NO. 19-0662.01 Kristen Forrestal x4217

HOUSE BILL 19-1176

HOUSE SPONSORSHIP

Sirota and Jaquez Lewis, Benavidez, Singer

SENATE SPONSORSHIP

Foote,

House Committees

Health & Insurance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ENACTMENT OF THE "HEALTH CARE COST SAVINGS**
102 **ACT OF 2019" THAT CREATES A TASK FORCE TO ANALYZE**
103 **HEALTH CARE FINANCING SYSTEMS IN ORDER TO GIVE THE**
104 **GENERAL ASSEMBLY FINDINGS REGARDING THE SYSTEMS' COSTS**
105 **OF PROVIDING ADEQUATE HEALTH CARE TO RESIDENTS OF THE**
106 **STATE.**

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 creates the health care cost analysis task force (task force).

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.

The president of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives shall each appoint 2 legislative members to the task force. The governor shall appoint 9 members to the task force. The executive directors of the departments of human services, public health and environment, and health care policy and financing, or their designees, also serve on the task force.

The task force is required to issue a request for proposals and select an analyst to complete a health care cost analysis of 4 health care financing systems. The health care financing systems to be analyzed are:

- ! The current health care financing system, in which residents receive health care coverage from private and public insurance carriers or are uninsured;
- ! A public option system in which health benefit plans are sold through, and revenues and premiums are received from, the Colorado health benefit exchange, with additional funding as necessary through the general fund;
- ! A multi-payer universal health care financing system, in which competing insurance carriers or health maintenance organizations receive payments from a public financing authority; and
- ! A publicly financed and privately delivered universal health care system that directly compensates providers.

The analyst is required to use the same specified criteria when conducting the analysis of each health care financing system.

The task force is required to report the findings of the analyst to the general assembly.

The task force may seek, accept, and expend gifts, grants, and donations for the analysis. The general assembly may appropriate money to the health care cost analysis cash fund for the purposes of the task force, the analysis, and reporting requirements.

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) Health care costs continue to rise at unsustainable levels that
5 exceed the rate of economic growth in the United States and that require
6 increasingly large portions of the state's budget;

7 (b) Recent polls of Americans from all demographics indicate that

1 access to affordable health care is a major concern for a substantial
2 majority of those polled;

3 (c) Colorado's rural residents pay disproportionately higher
4 premiums than urban residents for health insurance and often lack access
5 to adequate health care services;

6 (d) According to a recent Colorado Health Institute study, there
7 are approximately three hundred fifty thousand Coloradans without health
8 insurance, and there are approximately eight hundred fifty thousand
9 Coloradans who are underinsured in that their health insurance has high
10 deductibles or other coinsurance requirements that result in unaffordable
11 out-of-pocket expenditures; and

12 (e) Coloradans need facts to determine the most cost-effective
13 method of financing health care that ensures that all Coloradans have
14 access to adequate and affordable health care.

15 **SECTION 2.** In Colorado Revised Statutes, **add** article 11 to title
16 25.5 as follows:

17 **ARTICLE 11**

18 **Health Care Cost Savings Act**

19 **25.5-11-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 11 IS
20 THE "HEALTH CARE COST SAVINGS ACT OF 2019".

21 **25.5-11-102. Definitions.** AS USED IN THIS ARTICLE 11, UNLESS
22 THE CONTEXT OTHERWISE REQUIRES:

23 (1) "AT-RISK INSURED" MEANS A RESIDENT OF COLORADO WHO IS
24 NOT UNDERINSURED BECAUSE THE INDIVIDUAL HAS FEW MEDICAL NEEDS
25 BUT WHO WOULD BE UNDERINSURED IF THE INDIVIDUAL DEVELOPED A
26 SERIOUS MEDICAL CONDITION.

27 (2) "FEDERAL ACT" MEANS THE FEDERAL "PATIENT PROTECTION

1 AND AFFORDABLE CARE ACT", PUB.L. 111-148, AS AMENDED BY THE
2 FEDERAL "HEALTH CARE AND EDUCATION RECONCILIATION ACT OF
3 2010", PUB.L. 111-152.

4 (3) "HEALTH BENEFIT EXCHANGE" MEANS THE COLORADO HEALTH
5 BENEFIT EXCHANGE CREATED IN ARTICLE 22 OF TITLE 10.

6 (4) "MEDICAID" MEANS THE PROGRAM ESTABLISHED PURSUANT TO
7 THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF
8 THIS TITLE 25.5;

9 (5) "MEDICARE" MEANS FEDERAL INSURANCE OR ASSISTANCE AS
10 PROVIDED BY TITLE XVIII OF THE FEDERAL "SOCIAL SECURITY ACT", AS
11 AMENDED, 42 U.S.C. SEC. 1395 ET SEQ.

12 (6) "PUBLIC OPTION SYSTEM" MEANS A HEALTH CARE SYSTEM
13 UNDER WHICH EVERY RESIDENT OF THE STATE IS ABLE TO PURCHASE A
14 HEALTH BENEFIT PLAN MANAGED BY THE STATE OR THROUGH THE HEALTH
15 BENEFIT EXCHANGE.

16 (7) "TASK FORCE" MEANS THE HEALTH CARE COST ANALYSIS TASK
17 FORCE CREATED IN SECTION 25.5-11-103.

18 (8) "UNDERINSURED" MEANS A PERSON WHO HAS HEALTH
19 INSURANCE BUT HAS HEALTH CARE COSTS, INCLUDING HIGH DEDUCTIBLES
20 AND OUT-OF-POCKET EXPENSES, THAT EXCEED TEN PERCENT OF THE
21 PERSON'S PERSONAL INCOME.

22 (9) "UNIVERSAL HEALTH CARE" MEANS A HEALTH CARE SYSTEM
23 UNDER WHICH EVERY RESIDENT OF THE STATE HAS ACCESS TO ADEQUATE
24 AND AFFORDABLE HEALTH CARE.

25 **25.5-11-103. Health care cost analysis task force - creation -**
26 **membership - duties - reports.** (1) THERE IS CREATED IN THE STATE
27 DEPARTMENT THE HEALTH CARE COST ANALYSIS TASK FORCE FOR THE

1 PURPOSE OF DEVELOPING COMPREHENSIVE FISCAL ANALYSES OF CURRENT
2 AND ALTERNATIVE HEALTH CARE FINANCING SYSTEMS.

3 (2) (a) ON OR BEFORE SEPTEMBER 1, 2019, THE PRESIDENT OF THE
4 SENATE, THE MINORITY LEADER OF THE SENATE, THE SPEAKER OF THE
5 HOUSE OF REPRESENTATIVES, AND THE MINORITY LEADER OF THE HOUSE
6 OF REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER OF THE GENERAL
7 ASSEMBLY TO THE TASK FORCE.

8 (b) ON OR BEFORE SEPTEMBER 1, 2019, THE GOVERNOR SHALL
9 APPOINT EIGHT MEMBERS TO THE TASK FORCE. IN MAKING THE
10 APPOINTMENTS, THE GOVERNOR SHALL ENSURE THAT THE APPOINTEES:

11 (I) HAVE A DEMONSTRATED ABILITY TO REPRESENT THE INTERESTS
12 OF ALL COLORADANS AND, REGARDLESS OF THE APPOINTEES'
13 BACKGROUNDS OR AFFILIATIONS, ARE ABLE TO PRESENT OBJECTIVE,
14 NONPARTISAN, FACTUAL, AND EVIDENCE-BASED IDEAS AND TO
15 OBJECTIVELY ADVISE THE ANALYST CONCERNING THE HEALTH CARE
16 FINANCING SYSTEMS; AND

17 (II) REFLECT THE SOCIAL, DEMOGRAPHIC, AND GEOGRAPHIC
18 DIVERSITY OF THE STATE.

19 (c) THE EXECUTIVE DIRECTORS OF THE DEPARTMENT OF HUMAN
20 SERVICES, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, AND
21 THE STATE DEPARTMENT, THE COMMISSIONER OF INSURANCE, AND THE
22 CHIEF EXECUTIVE OFFICER OF THE HEALTH BENEFIT EXCHANGE, OR THEIR
23 DESIGNEES, SHALL SERVE ON THE TASK FORCE.

24 (3) THE TASK FORCE SHALL SELECT A CHAIR AND VICE-CHAIR FROM
25 AMONG ITS MEMBERS. A MEMBER OF THE TASK FORCE APPOINTED
26 PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION MAY BE REMOVED BY
27 A MAJORITY VOTE OF THE REMAINING MEMBERS OF THE TASK FORCE. IF A

1 VACANCY OCCURS ON THE TASK FORCE, THE ORIGINAL APPOINTING
2 AUTHORITY SHALL APPOINT A NEW MEMBER TO FILL THE VACANCY.

3 (4) NONLEGISLATIVE TASK FORCE MEMBERS ARE NOT ENTITLED TO
4 RECEIVE PER DIEM OR OTHER COMPENSATION FOR PERFORMANCE OF
5 SERVICES FOR THE TASK FORCE BUT MAY BE REIMBURSED FOR ACTUAL
6 AND NECESSARY EXPENSES WHILE ENGAGED IN THE PERFORMANCE OF
7 OFFICIAL DUTIES OF THE TASK FORCE. LEGISLATIVE TASK FORCE MEMBERS
8 ARE REIMBURSED PURSUANT TO SECTION 2-2-307 (3).

9 (5) THE TASK FORCE SHALL:

10 (a) ON OR BEFORE OCTOBER 1, 2019, ISSUE A COMPETITIVE
11 SOLICITATION UNDER THE "PROCUREMENT CODE", ARTICLES 101 TO 112
12 OF TITLE 24, IN ORDER TO SELECT AN ANALYST TO PROVIDE A DETAILED
13 ANALYSIS OF FISCAL COSTS AND OTHER IMPACTS OF THE HEALTH CARE
14 FINANCING SYSTEMS SPECIFIED IN THIS ARTICLE 11;

15 (b) BY MAJORITY VOTE, SELECT AND CONTRACT WITH AN ANALYST
16 WHO:

17 (I) HAS EXPERIENCE CONDUCTING HEALTH CARE COST ANALYSES;

18 (II) IS FAMILIAR WITH DIFFERENT METHODOLOGIES USED; AND

19 (III) IS, IN THE OPINION OF THE TASK FORCE, EMPLOYED BY AN
20 ORGANIZATION THAT IS NONPARTISAN AND UNBIASED;

21 (c) ON OR BEFORE JANUARY 1, 2021, SUBMIT A PRELIMINARY
22 REPORT TO THE GENERAL ASSEMBLY THAT CONTAINS THE ANALYST'S
23 METHODOLOGY FOR STUDYING THE HEALTH CARE FINANCING SYSTEMS
24 SPECIFIED IN THIS ARTICLE 11; AND

25 (d) ON OR BEFORE SEPTEMBER 1, 2021, DELIVER TO THE GENERAL
26 ASSEMBLY A FINAL REPORT OF THE TASK FORCE'S FINDINGS RECEIVED
27 FROM THE ANALYST SELECTED PURSUANT TO THIS SECTION.

1 (6) IN CARRYING OUT ITS DUTIES PURSUANT TO THIS SECTION, THE
2 TASK FORCE MAY HIRE STAFF AND CONSULTANTS FOR THE PURPOSES OF
3 THIS ARTICLE 11.

4 (7) THE TASK FORCE IS SUBJECT TO ARTICLES 6 AND 72 OF TITLE
5 24.

6 **25.5-11-104. Analyst - duties.** (1) THE ANALYST SELECTED
7 PURSUANT TO SECTION 25.5-11-103 (5) SHALL HOST AT LEAST THREE
8 STAKEHOLDER MEETINGS IN DIFFERENT GEOGRAPHIC REGIONS OF THE
9 STATE TO DETERMINE THE METHODOLOGY TO BE USED TO STUDY THE
10 HEALTH CARE FINANCING SYSTEMS SPECIFIED IN SUBSECTION (2) OF THIS
11 SECTION.

12 (2) THE ANALYST SHALL ANALYZE, AT A MINIMUM, THE
13 FOLLOWING HEALTH CARE SYSTEMS:

14 (a) THE CURRENT COLORADO HEALTH CARE FINANCING SYSTEM IN
15 WHICH RESIDENTS RECEIVE HEALTH CARE COVERAGE FROM PRIVATE
16 INSURERS AND PUBLIC PROGRAMS OR ARE UNINSURED;

17 (b) A MULTI-PAYER UNIVERSAL HEALTH CARE SYSTEM IN WHICH
18 ALL RESIDENTS OF COLORADO ARE COVERED UNDER A PLAN WITH A
19 MANDATED SET OF BENEFITS THAT IS PUBLICLY AND PRIVATELY FUNDED
20 AND ALSO PAID FOR BY EMPLOYER AND EMPLOYEE CONTRIBUTIONS; AND

21 (c) A PUBLICLY FINANCED AND PRIVATELY DELIVERED UNIVERSAL
22 HEALTH CARE SYSTEM THAT DIRECTLY COMPENSATES PROVIDERS.

23 (3) THE ANALYST SHALL PREPARE A DETAILED ANALYSIS OF EACH
24 HEALTH CARE FINANCING SYSTEM. EACH ANALYSIS MAY:

25 (a) INCLUDE THE FIRST, SECOND, FIFTH, AND TENTH YEAR COSTS;

26 (b) SET COMPENSATION FOR LICENSED HEALTH CARE PROVIDERS
27 AT LEVELS THAT RESULT IN NET INCOME THAT WILL ATTRACT AND RETAIN

1 NECESSARY HEALTH CARE PROVIDERS;

2 (c) INCLUDE HEALTH CARE BENEFITS REIMBURSED AT ONE

3 HUNDRED TWENTY PERCENT OF MEDICARE RATES FOR RESIDENTS OF

4 COLORADO WHO ARE TEMPORARILY LIVING OUT OF STATE;

5 (d) DESCRIBE AND QUANTIFY THE NUMBER OF UNINSURED,

6 UNDERINSURED, AND AT-RISK INSURED INDIVIDUALS IN EACH SYSTEM;

7 (e) INCLUDE IN EACH SYSTEM THE PROVISION OF BENEFITS THAT

8 ARE THE SAME AS THE BENEFITS REQUIRED BY THE FEDERAL ACT;

9 (f) IDENTIFY HEALTH EXPENDITURES BY PAYER;

10 (g) IDENTIFY OUT-OF-POCKET CHARGES INCLUDING COINSURANCE,

11 DEDUCTIBLES, AND COPAYMENTS;

12 (h) DESCRIBE HOW THE SYSTEM PROVIDES THE FOLLOWING:

13 (I) SERVICES REQUIRED BY THE FEDERAL ACT;

14 (II) MEDICARE-QUALIFIED SERVICES;

15 (III) MEDICAID SERVICES AND BENEFITS EQUAL TO OR GREATER

16 THAN CURRENT SERVICES AND BENEFITS AND WITH EQUIVALENT PROVIDER

17 COMPENSATION RATES;

18 (IV) MEDICAID SERVICES AND BENEFITS FOR INDIVIDUALS WITH

19 DISABILITIES WHO DO NOT MEET ASSET OR INCOME QUALIFICATIONS, WHO

20 HAVE THE RIGHT TO MANAGE THEIR OWN CARE, AND WHO HAVE THE RIGHT

21 TO DURABLE MEDICAL EQUIPMENT;

22 (V) COVERAGE FOR WOMEN'S HEALTH CARE AND REPRODUCTIVE

23 SERVICES;

24 (VI) VISION, HEARING, AND DENTAL SERVICES;

25 (VII) ACCESS TO PRIMARY SPECIALTY HEALTH CARE SERVICES IN

26 RURAL COLORADO AND OTHER UNDERSERVED AREAS OR POPULATIONS;

27 AND

1 (VIII) BEHAVIORAL, MENTAL HEALTH, AND SUBSTANCE USE
2 DISORDERS SERVICES;

3 (i) PROVIDE A REVIEW OF EXISTING LITERATURE REGARDING THE
4 COLLATERAL COSTS TO SOCIETY OF HIGH HEALTH CARE COSTS, WHICH MAY
5 INCLUDE:

6 (I) THE COST OF EMERGENCY ROOM, URGENT CARE, AND INTENSIVE
7 CARE TREATMENT FOR INDIVIDUALS WHO ARE UNABLE TO AFFORD
8 PREVENTIVE OR PRIMARY CARE IN LOWER-COST SETTINGS;

9 (II) THE COST IN LOST TIME FROM WORK, DECREASED
10 PRODUCTIVITY, OR UNEMPLOYMENT FOR INDIVIDUALS WHO, AS A RESULT
11 OF BEING UNABLE TO AFFORD PREVENTIVE OR PRIMARY CARE, DEVELOP A
12 MORE SEVERE, URGENT, OR DISABLING CONDITION;

13 (III) THE COST OF BANKRUPTCIES CAUSED BY UNAFFORDABLE
14 MEDICAL EXPENSES, INCLUDING THE COST TO THE INDIVIDUALS WHO ARE
15 FORCED TO FILE FOR BANKRUPTCY AND THE COST TO HEALTH CARE
16 PROVIDERS THAT DO NOT GET PAID AS A RESULT;

17 (IV) THE COSTS TO AND EFFECTS ON INDIVIDUALS WHO DO NOT
18 FILE BANKRUPTCIES BECAUSE OF MEDICAL EXPENSES AND WHO ARE
19 FINANCIALLY DEPLETED BY THESE COSTS;

20 (V) MEDICAL COSTS CAUSED BY THE DIVERSION OF FUNDS FROM
21 OTHER HEALTH DETERMINANTS, SUCH AS EDUCATION, SAFE FOOD SUPPLY,
22 OR SAFE WATER SUPPLY; AND

23 (VI) OTHER COLLATERAL COSTS AS DETERMINED BY THE TASK
24 FORCE.

25 (4) THE ANALYST SHALL MODEL SUFFICIENT AND FAIR FUNDING
26 SYSTEMS THAT MAY BE VIABLE FOR EACH SYSTEM STUDIED PURSUANT TO
27 THIS SECTION THAT RAISE REVENUE FROM:

- 1 (a) THE GENERAL FUND;
- 2 (b) FEDERAL WAIVERS AVAILABLE UNDER MEDICAID AND THE
3 FEDERAL ACT, AS APPROPRIATE FOR EACH SYSTEM STUDIED;
- 4 (c) A COMBINATION OF TWO OR MORE OF:
 - 5 (I) PROGRESSIVE INCOME TAXES;
 - 6 (II) PAYROLL TAXES THAT MAY BE SPLIT BETWEEN EMPLOYER AND
7 EMPLOYEE; AND
 - 8 (III) OTHER TAXES, INCLUDING INCOME, CIGARETTE, ALCOHOL,
9 MARIJUANA, AND SUGARY DRINK TAXES, AND PREMIUMS BASED ON
10 INCOME.

11 **25.5-11-105. Appropriation - gifts, grants, and donations.**

12 (1) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY TO THE STATE
13 DEPARTMENT FOR THE IMPLEMENTATION OF THIS ARTICLE 11.

14 (2) THE STATE DEPARTMENT AND THE TASK FORCE MAY SEEK,
15 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS, INCLUDING IN-KIND
16 DONATIONS, FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF
17 THIS ARTICLE 11.

18 (3) THE TASK FORCE MAY USE MONEY AVAILABLE PURSUANT TO
19 SUBSECTIONS (1) AND (2) OF THIS SECTION FOR THE IMPLEMENTATION OF
20 THIS ARTICLE 11, TO:

21 (a) COMPENSATE ANY NECESSARY STAFF AND CONSULTANTS HIRED
22 PURSUANT TO SECTION 25.5-11-103 (6);

23 (b) PAY THE ANALYST SELECTED PURSUANT TO SECTION
24 25.5-11-103 (5) FOR THE COSTS ASSOCIATED WITH THE DEVELOPMENT OF
25 THE METHODOLOGY AND ANALYSES CONDUCTED PURSUANT TO SECTION
26 25.5-11-104; AND

27 (c) REIMBURSE THE TASK FORCE MEMBERS' ACTUAL AND

1 NECESSARY EXPENSES IN PERFORMING THEIR DUTIES.

2 **25.5-11-106. Repeal of article.** THIS ARTICLE 11 IS REPEALED,
3 EFFECTIVE SEPTEMBER 1, 2022.

4 **SECTION 3. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.