

Department of Regulatory Agencies SMART Act Hearing

Joint Business Committee
January 9, 2025



COLORADO
Department of
Regulatory Agencies

DORA Mission & Vision

The **Department of Regulatory Agencies** (DORA) is dedicated to **preserving the integrity of the marketplace** and is committed to promoting **a fair and competitive business environment** in Colorado.

Consumer protection is our mission.

DORA By The Numbers

- **726.5** FTE
- **\$144.8 M** Budget (FY 24-25)
- More than **50** Boards, Commissions and Advisory Committees
- **50+** Regulatory programs
- **1,180,938** individual licensees
- **82,063** regulated business and institutions

DORA Organizational Chart



DEPARTMENT OF REGULATORY AGENCIES
Patty Salazar, Executive Director

Deputy Executive Director, Ginny Brown
 Communications & Stakeholder Engagement
 Legislative Affairs
 Energy Modernization
 Colorado Office of Policy, Research, & Regulatory Reform

EXECUTIVE DIRECTOR'S OFFICE
 (35.7 FTE)

Chief Administrative Officer, Marisol Larez
 Human Resources Office
 Budget Office
 Department Operations
 Office of Accounting & Purchasing

DIVISION OF BANKING
 Ken Boldt, Commissioner
 (44.6 FTE)

COLORADO CIVIL RIGHTS DIVISION
 Aubrey Sullivan, Director
 (41.8 FTE)

DIVISION OF CONSERVATION
 Aaron Welch, Director
 (6.0 FTE)

DIVISION OF FINANCIAL SERVICES
 Mark Valente, Commissioner
 (15.6 FTE)

DIVISION OF INSURANCE
 Michael Conway, Commissioner
 (120.3 FTE)

OFFICE OF THE UTILITY CONSUMER ADVOCATE
 Cindy Schonhaut, Director
 (14.0 FTE)

DIVISION OF PROFESSIONS & OCCUPATIONS
 Samuel Delp, Director
 (235.5FTE)

PUBLIC UTILITIES COMMISSION
 Rebecca White, Director
 (140.1 FTE)

DIVISION OF REAL ESTATE
 Marcia Waters, Director
 (48.9 FTE)

DIVISION OF SECURITIES
 Tung Chan, Commissioner
 (24.0 FTE)

What DORA Regulates

Financial Services



Accounting Firms
Broker-Dealer Firms
Broker-Dealer Sales Representatives
Certified Public Accountants
Investment Adviser Firms
Investment Adviser Representatives
Money Transmitters
Mortgage Broker-Dealers
Mortgage Loan Originators
State-Chartered Savings & Loans
State-Chartered Commercial Banks
State-Chartered Credit Unions

Insurance

Insurance Agents/Brokers
Insurance Companies

Real Estate, Buildings & Repair



Appraisers
Architects
Electricians
Engineers
Homeowners Associations (via HOA Information and Resource Center)
Land Surveyors
Landscape Architects
Plumbers
Radon Professionals
Real Estate Brokers
Title Insurance Agents/Agencies

Cosmetology

Barbers
Barber/Cosmetology Shops
Cosmetologists Estheticians
Hair Stylists
Nail Technicians

Healthcare & Wellness

Acupuncturists
Addiction Counselors
Athletic Trainers
Audiologists
Chiropractors
Dental Hygienists
Dentists
Direct-entry Midwives
Hearing Aid Providers
Marriage and Family Therapists
Massage Therapists
Natural Medicine Facilitators
Naturopathic Doctors
Nurses and Nurse Aides
Nursing Home Administrators
Occupational Therapists
Optometrists
Pharmacists and Pharmacies
Physical Therapy
Physicians (all types)
Physician Assistants
Professional Counselors
Psychiatric Technicians
Psychologists
Respiratory Therapists
Speech Language Pathologists
Social Workers
Surgical Assistants/Surgical Technologists
Veterinarians and Veterinary Technicians

Transportation



Children's Activity and Charter Buses, Limousines, Off-road Charters, Moving Companies (household goods), Non-consensual Towing, Passenger Tramways, Shuttles, Taxis and Transportation Network Companies (TNC's)
Public Highway Railroad Crossings
Rail Fixed Guideway (RFG)

Utilities



Investor-owned electric, gas, steam and water Some telecommunications services

Other

Bail Bonds/Bail Bonds Agents
Combative Sports
Conservation Easement Holders
Conservation Easement Tax Credits
Funeral Homes, Crematories
Medicare Assistance - home of State Health
Insurance Assistance Program (SHIP)
Medicare Assistance - Senior Medicare Patrol (SMP)
Outfitters
Enforce anti-discrimination laws



DORA Performance Management Philosophy

- Bottom-up Approach
- Results-driven
- Accountability
- Communication
- Transparency



Equity, Diversity, and Inclusion (EDI)



 GOVERNOR JARED POLIS

NEWS RELEASE

Governor Polis Signs Executive Order Directing Action on Equity, Diversity, and Inclusion

>> The action incorporates feedback from state employees and community partners expressing a desire for increased focus on equity, diversity, and inclusion efforts across state government.

>> The Executive Order lists a number of directives that will be led by DPA, which include an EDI Universal Policy with accessibility requirements, procurement enhancements, updates to hiring guidelines, as well as mandatory training for employees, supervisors, and executive leaders.

In accordance with the **Governor's Executive Order [2020 175](#)**, the Department is implementing an EDI Action Plan to improve **equity, diversity, and inclusion**, including efforts to:

- Continued implementation of **EDI and Accessibility training resources** for supervisors, executive leadership, and Boards and Commission members.
- Establish division **stakeholder engagement plans** to ensure inclusive, meaningful, focused engagement with respective industry and community stakeholder groups.
- Focus on digital accessibility, including enhancing the **department's digital resources** and making changes with customer experience in mind, such as evaluating and making improvements related to **website accessibility**.

DORA's FY 2024-25 Wildly Important Goals (WIGs)

1

Reduce Average Licensing Times

In support of stabilizing and expanding Colorado's workforce for the future, DORA will implement strategies to reduce average licensing times by 10% by June 2027.

2

Energy Assistance Information Portal

In an effort to facilitate and improve access to energy assistance programs, the Public Utilities Commission (PUC) will establish a navigational resource for all energy assistance programs in the state of Colorado by June 2026.

More Information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional Department goals and context, view our [FY 2024-25 Performance Plan](#).

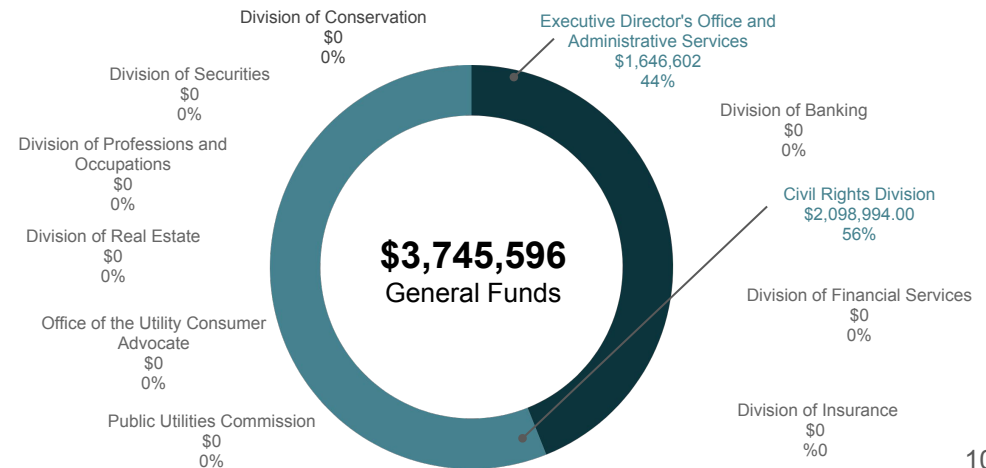
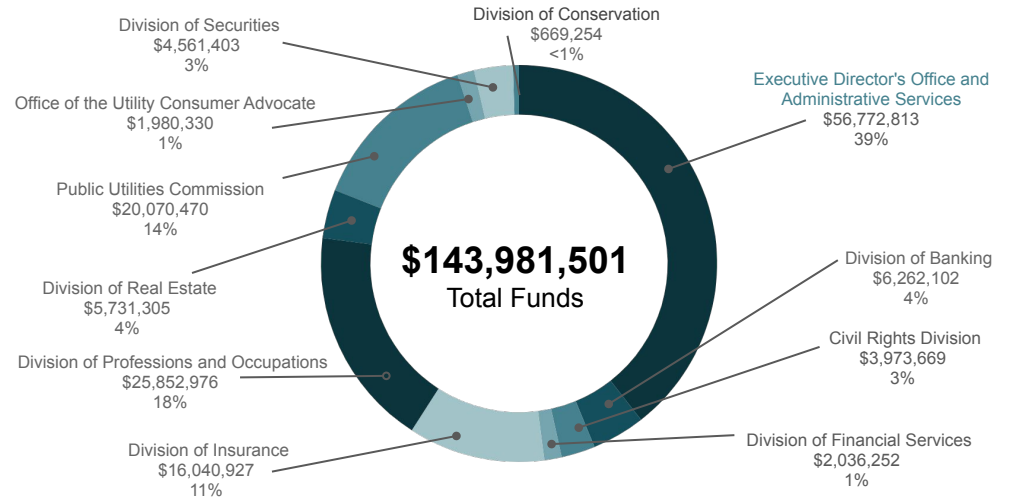
DORA FY 2025-26 Budget Request

FY 2025-26 Budget Snapshot

FY 2025-26 Total Funds: \$143.9M

FY 2025-26 General Fund: \$3.7M

FY 2025-26 FTE: 730.6



DORA Select FY 2025-26 Budget Requests

DORA's FY 2025-26 Budget Request includes the following:

- No prioritized change requests for increased resources
- Two requests to reduce a total of \$166,728 in General Fund and related Cash Funds appropriations, pursuant to a 1.0% reduction target.

DORA's request does not include any fiscal stimulus items

Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Consumer Transparency for Delegated Services
- Money Transmitters Model Act
- Homeowners Mitigation Transparency and Accountability
- Property Owners Insurance Affordability Enterprise

Regulatory Approach

Regulatory Philosophy

Regulate to the lowest level possible so that businesses can thrive and consumers are protected.

Sunrise Process

Assesses which professions and occupations show evidence of public harm to require a level of regulation

Sunset Process

Periodic evaluation of regulatory programs and services to determine efficacy and whether regulation is necessary and should continue

Consumer Protection is our mission

Regulatory Agenda

207 Rules identified for action on behalf of the Department

Full Report is linked [here](#) on the Department website:

Division of Professions and Occupations: combative sports, physical therapy board, architects, veterinary, nursing homes, barber cosmetology and surprise billing.

Division of Securities: Investment Advisor Representative and Sales Representatives

Division of Banking: Collateral deposits, dividends, investment limitations, minimum capital ratios, insurance and fiduciary self-dealing

Public Utilities Commission: taxicabs, railroads, gas pipeline, transportation network companies, telecommunications

New Rules: 37%

Revised Rules: 63%

Repealed Rules: 24%

Mandatory Rules: 44%

Non Compliance with Agency Rules - Analysis

- Analysis of rules of principal departments with the greatest frequency of noncompliance actions
- 9 agencies responded
- More than 93 Rules were identified
- Agencies do prioritize the ability to cure minor violations

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Questions?



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Individual Division Presentations

Division of Conservation | Public Utilities Commission



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Division of Conservation Registry of Conservation Easements

Full Annual Report for the Division is on the Website ([here](#))

For the SMART Act DORA is authorized to share information with Colorado State University's Colorado Ownership, Management and Protection (COMaP) map of protected lands to improve the registry of conservation easements. This information includes:

- 755 conservation easements
- the location and size of each conservation easement
- the names of the grantor that donated the easement and the grantee that holds the easement
- the easement holder's DORA certification status
- whether a tax credit certificate was issued for the easement

The sharing of information is complete and updated in real time each time the Division issues a tax credit certificate. Information is included for all conservation easements donated between 2011 and 2024 that applied for the tax credit. The total protected lands supported by the tax credit comprise more than 890,000 acres, which is an increase of 7% from last year.

Public Utilities Commission

Colorado High Cost Support Mechanism(CHCSM)

Full Report on Division Website ([here](#))

- **Purpose** is to support affordable basic telephone service in high cost areas.
 - **Broadband Infrastructure:** CHCSM repurposed for broadband infrastructure
 - **Broadband Deployment Board:** \$97.1 million transferred since 2015
 - **Intrastate Retail Revenues:** 2.6% surcharge applied to intrastate retail revenues is the source of funding, with about 208 providers paying into the fund.
 - **Broadband Fund (2024):** All proceeds from the CHCSM surcharge are to be transferred to the Broadband Fund.
-

Questions?



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Colorado Public Utilities Commission State of 9-1-1 Report Summary

Joint Business Committees
January 9, 2025



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Public Utilities Commission

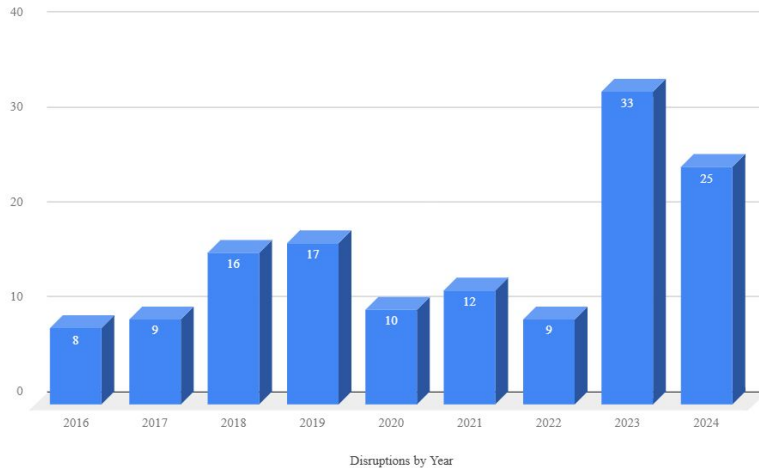
Key Points - updated from the annual State of 9-1-1 Report

1. The Commission concluded a rulemaking in 2024 strengthening the rules regarding disruptions to the delivery of 9-1-1 calls to Public Safety Answering Points, or 9-1-1 centers.
2. Very recently, CenturyLink filed a proposed tariff amendment to complete the transition from the legacy 9-1-1 system, based on analog technology, to a standards compliant Internet Protocol-based 9-1-1 network statewide. That proposed tariff is currently being adjudicated at the Commission.
3. The Commission concluded a Basic Emergency Service Improvement Plan proceeding in 2024 that allows CenturyLink to add an additional rate to their tariff to pay for significant improvements to the network of the next two years designed to reduce the number of 9-1-1 service disruptions in the state. These improvements will add three cents to the state 9-1-1 surcharge rate starting this month.

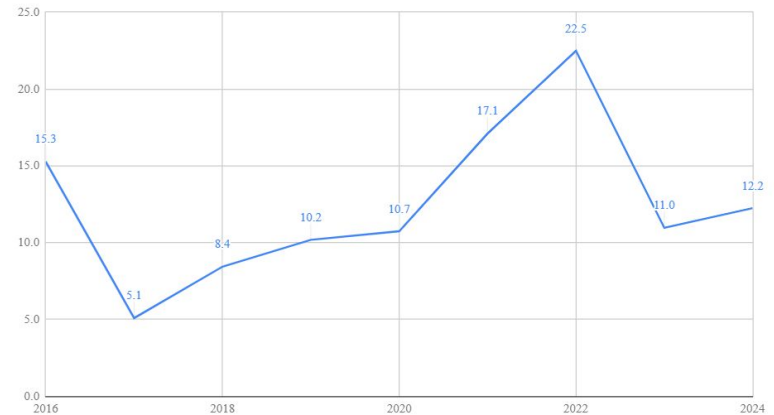
Key Points (from annual 911 report)

4. The PUC 9-1-1 Advisory Task Force worked with legislators to pass SB24-139, creating the 9-1-1 Services Enterprise and its statewide 9-1-1 funding mechanism, to be included within the existing statewide 9-1-1 surcharge. The Enterprise board has been seated by the Governor and will begin collecting funds in 2026, which will help fund statewide improvements to 9-1-1 service.
5. Colorado remains one of a shrinking minority of states with no minimum operational or training standards for 9-1-1 call centers.
6. Disparities in local monthly Emergency Telephone Charge rates continue to grow between some rural and urban areas, with some being five and half times higher than others.

PSAP Service Disruptions by Calendar Year



Average Duration of PSAP Service Disruptions in Hours by Year



Note: Several of the incidents counted for 2024 are still under investigation.

Challenges Facing 9-1-1 in Colorado

1. Challenges with provider responses to service disruptions.
2. Continued challenges and efforts related to migration to Next Generation 9-1-1.
3. The lack of Public Safety Answering Point (PSAP) training, performance, and service standards.
4. No clear path toward consistent statewide cybersecurity defense at local 9-1-1 centers.
5. Growing disparity in local emergency telephone charge rates

Recommendations to the Legislature

1. The legislature should consider working with 9-1-1 stakeholders to develop minimum operational standards for Public Safety Answering Points (PSAPs). Colorado is one of only seven states with no minimum training standards for 9-1-1 call takers and dispatchers.
2. The legislature should consider potential solutions to the local Emergency Telephone Charge (ETC) disparity outlined in the PUC's report.

Conclusion

Please visit the Colorado 9-1-1 Program's Website:

<https://sites.google.com/state.co.us/colorado911program/home>

Also accessible through the Public Utilities Commission website:

<https://puc.colorado.gov/>

The 2023-2024 State of 9-1-1 Report:

<https://sites.google.com/state.co.us/colorado911program/reports>

Questions?



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Appendix



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Utility Consumer Advocate

FY2024 Full Report ([here](#)):

Summary of Proceedings

1. Number of active proceedings during FY2024 = 69
2. Number of new proceedings intervened in FY 2024 = 30
3. Number of Active intervened proceedings from previous fiscal years = 23
4. Number of intervened proceedings closed in FY 2024 = 30
5. Number of proceedings with savings = 16
6. Approximate savings = \$406,170,000.00
7. Number of District Court Proceedings = 2
8. Number of CO Supreme Court Proceedings = 0

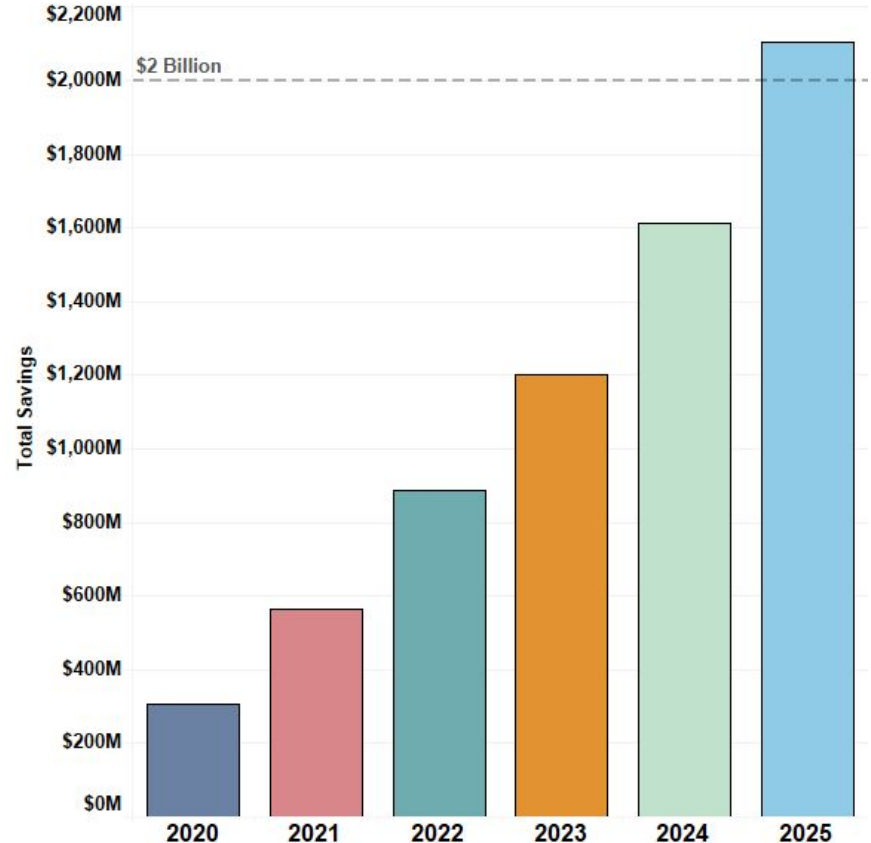
Division of Insurance Programs

- Reinsurance Program
- Colorado Option
- Unfair Discrimination in Insurance Practices
- Dental Loss Ratio Reporting

10-16-1106(4)

Reinsurance Updates

Colorado's Reinsurance Program will have saved Coloradans over **\$2.1 billion** (in total) on health insurance premiums between 2020 and 2025



Reinsurance Updates

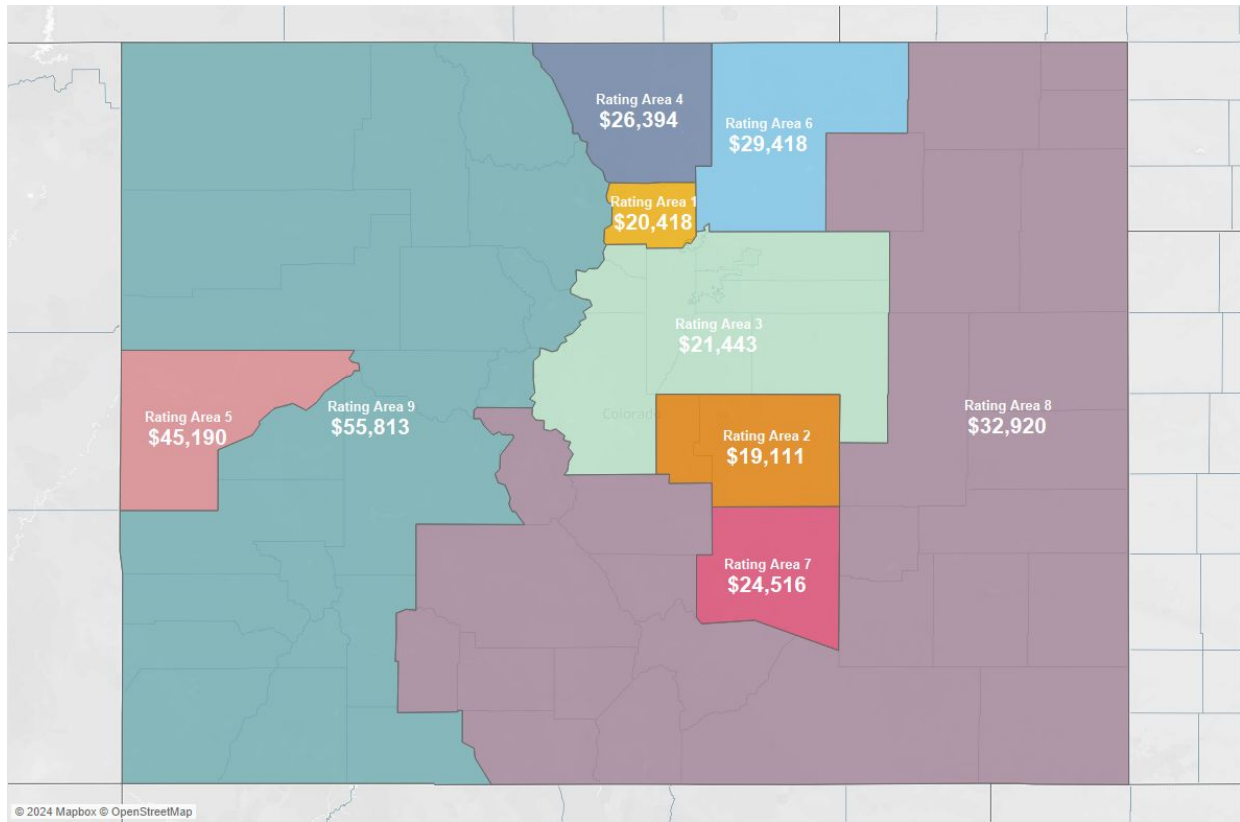
Reinsurance Program Goals

- Reduce health insurance premiums in Colorado's individual market
- Reduce geographic variability in health insurance prices - lowering premiums more in rural and higher cost areas
- Increase health insurance market stability

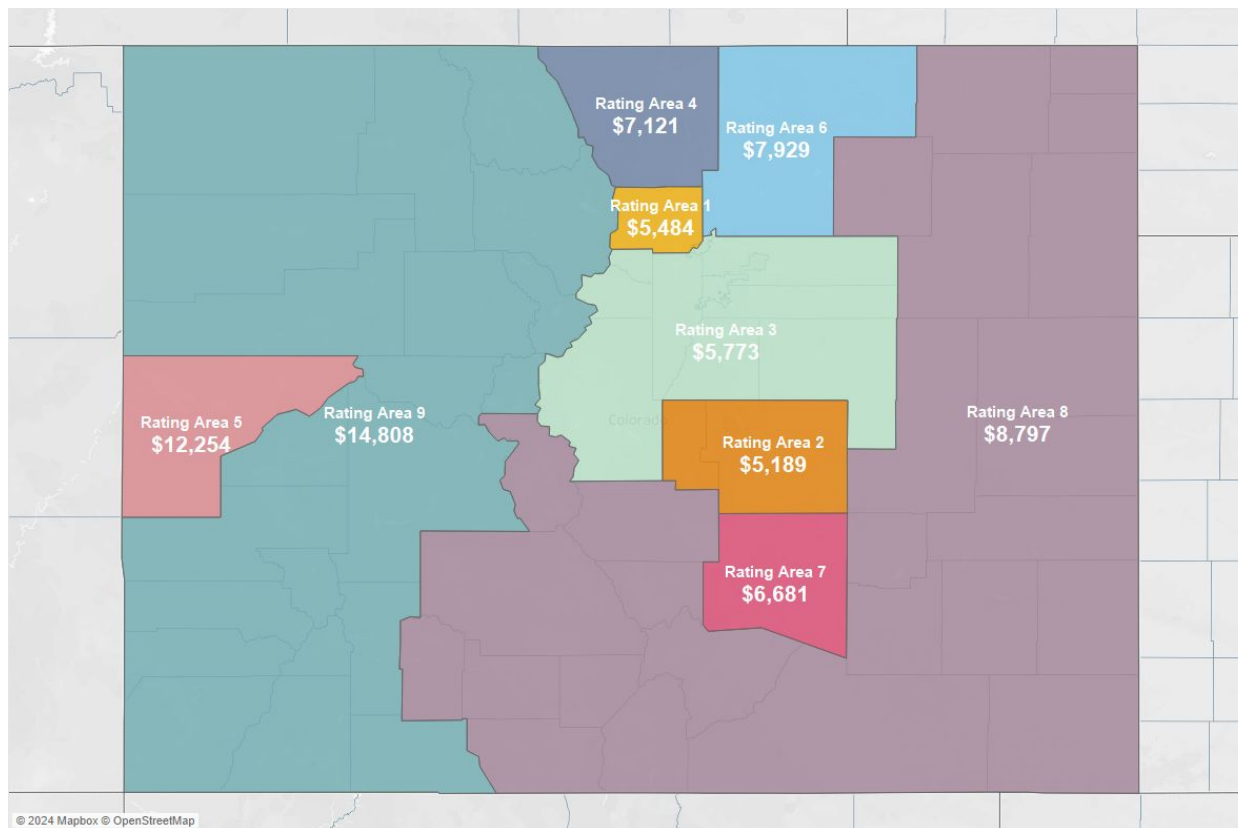
How Reinsurance Works

- Pays for a percentage of the highest cost claims on the individual market; in return carriers are required to reduce premiums
- Reinsurance is built into premiums automatically, ensuring all consumers get savings
- Highest savings are in areas of the state with the highest health care costs

Reinsurance Savings for a Family of 4 (2020-2025)



Reinsurance Savings for a 40 Year-Old (2020-2025)



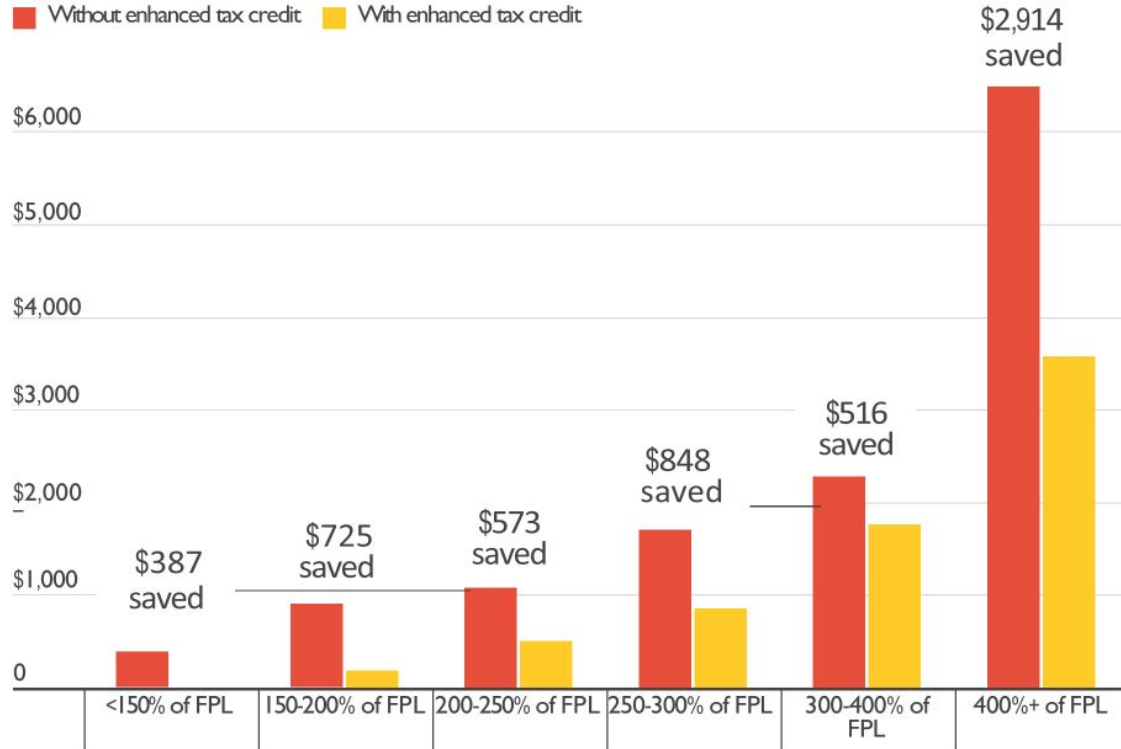
Federal 1332 Waiver Pass-Through Funding

2020	\$169,447,687
2021	\$182,680,879
2022	\$196,705,975
2023*	\$245,012,430
2024*	\$361,715,479

*2023 is the first year where premium savings and federal 1332 waiver pass-through funds are generated by both the Reinsurance and Colorado Option programs

ENHANCED ACA TAX CREDIT SLASHES COST OF HEALTH CARE PREMIUM

Many Marketplace enrollees see premiums cut in half due to tax credits



Note: Annual dollars saved (source: Urban Institute).

Colorado Option Updates: Implementation

Standardized Plan



The Colorado Option consumer-centered (standardized) plan offers:

\$0 Primary Care Visits

\$0 Mental/Behavioral Health/Substance Use Disorder Office Visits

\$0 Maternity Visits

\$5 Diabetes Self-Management Education

\$0 Certain Diabetic Supplies, including Continuous Glucose Monitors

Hospital Reimbursement/Premium Rate Reductions



For 2025 Plan Year:

Carriers and hospitals reduced reimbursement rates during the public hearing process, lowering premiums for consumers

On average, Colorado Option plans, in the individual market, are more affordable across all metal levels compared to average non-Option plans

1332 Waiver

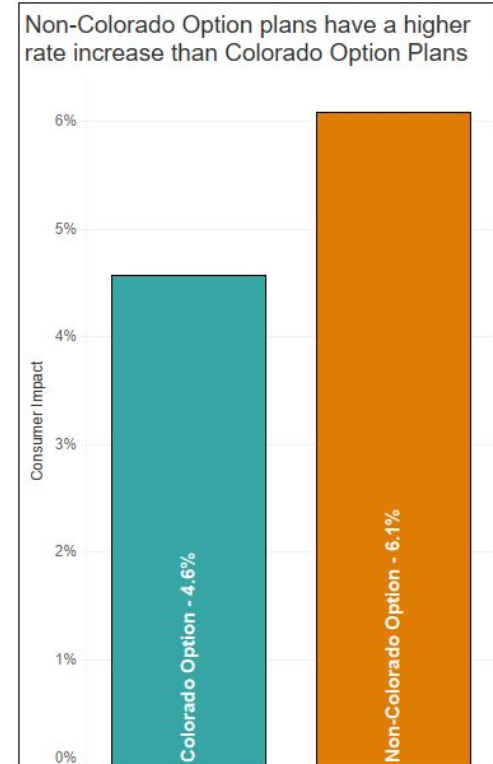


Colorado received a record **\$361 million** in federal funding in 2024

Federal funding supports the **reinsurance and state subsidy programs**, making health insurance more affordable and accessible for Coloradans

Colorado Option Updates: Premiums

In Plan Year 2025, consumers enrolled in Colorado Option plans on average, will see a **LOWER** increase in premiums (4.6%) than consumers enrolled in non-Colorado Option plans (6.1%)



Colorado Option Updates: Consumer Savings

Enrolling in a CO Option plan could save a consumer up to \$10,000 a year

In the **individual** market:

- A 40-year-old switching to the lowest cost CO Option plan could save up to \$225 a month, or ***nearly \$2,700 for the year.***
- A family of four making the same change could realize savings of \$800 a month, or ***nearly \$10,000 for the year.***

In the **small group** market:

- A 40-year-old changing to the lowest cost Colorado Option plan would see savings of ***up to nearly \$3,700 for the year***
- A family of four would ***save over \$14,000 on the year.***

Based on an individual or family currently enrolled in an average cost, non-Option plan who switches to a CO Option plan in the same metal tier.

Insurer Use of Big Data/Artificial Intelligence: Program Goals

- First-in-the-nation regulatory program
- Protects Colorado consumers from insurance practices that result in unfair discrimination on the *basis of race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity, or gender*
- Requires insurers to quantitatively test their big data systems and take corrective action to address consumer harms identified



SB21-169—National Leader in Regulating Insurance Industry's Use of Big Data and Artificial Intelligence

Colorado is creating a pathbreaking regulatory framework addressing potential consumer harm resulting from insurers' use of big data and artificial intelligence

- Revising existing governance and risk management regulation to include personal auto and health insurers in addition to life insurers
- Reviewing the first filings documenting life insurers' compliance with the regulation.
- The Division has created a website for information, resources, and updates: [SB21-169 - Protecting Consumers from Unfair Discrimination in Insurance Practices](#)

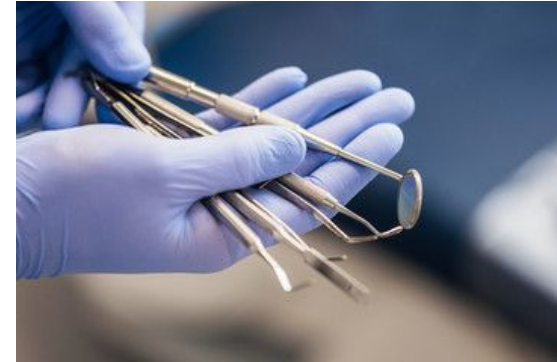
SB21-169—Stakeholder Process

- Continuing robust stakeholder process for personal auto, health, and life insurance including formal public meetings and informal meetings with industry representatives, consumer advocates, and third-party model vendors
- Working with life insurance technical experts and data scientists to develop a pioneering quantitative testing methodology to ensure the underwriting decisions made by life insurers are not unfairly discriminatory based upon race and ethnicity

Dental Loss Ratio: Key Components

Establishes transparency and disclosure standards for dental plans in Colorado, similar to medical loss ratios for health benefit plans

- Carriers must report a dental loss ratio (DLR) that shows the percentage of premium dollars that are spent on patient care, separate from operating costs
- Data collected publicly posted on the Division's website
- After two (2) years of data collection, Division will create a process to identify carriers that significantly deviate from average DLRs and investigate the causes of the deviation



Dental Loss Ratio: Implementation

Develop DLR Reporting Process

Hosted two stakeholder meetings to obtain feedback on definitions, data elements, and reporting mechanisms

Promulgated Regulation 4-2-99 establishing carrier reporting requirements

Developed reporting template

Initial Carrier Reporting

Initial carrier reporting due July 31, 2024

Filings received from 55 carriers

DLR data reported by:

- Market (individual, small group, large group)
- Colorado and national experience

Data reported for top ten (10) plans by enrollment:

- Number of enrollees
- Plan cost-sharing and deductible amounts
- Annual maximum coverage limit
- Number of enrollees who met or exceed annual coverage limit

Public Posting of DLR Data

DLR data posted as of January 2, 2025

Information currently available on the Division's [SB23-179 - Dental Plans Loss Ratio](#) website:

- List of dental carriers, with links to their DLR reporting template
- Interactive display showing aggregate reported DLRs by carrier, market, and experience
- Interactive display showing DLR data elements reported by each carrier

Division of Professions and Occupations Confidential Letters of Concern (CLOC)

The full report is attached ([here](#)) for additional detail

2024 - 1872 CLOC's issued

5.2% increase since 2023

- Impact of Renewal Cycle and Education/Outreach
- Complaint-Driven Consistency

Questions?



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