

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0585.01 Christy Chase

HOUSE BILL 10-1154

HOUSE SPONSORSHIP

Curry and Roberts,

SENATE SPONSORSHIP

Mitchell,

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROCESS FOR THE ENACTMENT OF MANDATED**
102 **HEALTH INSURANCE BENEFITS, AND, IN CONNECTION**
103 **THEREWITH, REPEALING THE COMMISSION ON MANDATED**
104 **HEALTH INSURANCE BENEFITS AND TRANSFERRING ITS**
105 **FUNCTIONS TO THE DIRECTOR OF RESEARCH OF THE**
106 **LEGISLATIVE COUNCIL AND IMPOSING A ONE-YEAR**
107 **MORATORIUM ON THE ENACTMENT OF NEW MANDATED HEALTH**
108 **INSURANCE BENEFITS.**

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills/summaries>.)

Under current law, when the legislature is considering enactment of a new mandated health insurance benefit, the standing committee to which the legislative measure is referred is required to request the commission on mandated health insurance benefits (commission) to analyze the social and financial impacts of the proposal. The commission is to prepare and submit the analysis within a time determined by the chair of the standing committee.

The bill would repeal the commission and transfer its functions regarding analysis of legislative proposals to the director of research of the legislative council. The director of research would analyze the financial and social impact of each proposed health insurance mandate and submit the analysis in conjunction with the fiscal impact analysis prepared for the legislative measure. Instead of submitting a report analyzing the proposal's social and financial impacts to the legislative committee considering the measure, the proponents of the measure would submit their report to the director of research, who would also be permitted to seek input from the commissioner of insurance, the division of insurance, any other state department, agency, or institution, and any other person or entity the director deems appropriate.

The bill also imposes a one-year moratorium on the enactment of any new mandated health insurance benefit to allow the state-regulated health insurance market to stabilize and provide the state time to determine how to implement federal health care reform legislation if enacted.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds and declares that due to recent enactments of new mandated
4 health insurance benefits impacting state-regulated individual and group
5 health care coverage, as well as the potential federal legislation that will
6 directly affect privately insured individuals in this state, the
7 state-regulated health insurance market needs a period in which to
8 stabilize for the currently insured population. Additionally, the general
9 assembly finds that the state needs time to plan for the effective
10 implementation of possible federal health care reform legislation. For

1 these reasons, the general assembly finds that it should not enact any new
2 mandated health insurance benefits for a one-year period to allow time for
3 market stabilization and planning for federal health care reform
4 implementation.

5 **SECTION 2.** Part 3 of article 2 of title 2, Colorado Revised
6 Statutes, is amended BY THE ADDITION OF A NEW SECTION
7 CONTAINING RELOCATED PROVISIONS, WITH AMENDMENTS,
8 to read:

9 **2-2-326. Analysis of proposed mandatory health insurance**
10 **benefits by director of research of legislative council.** (1) (a) THE
11 DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, HEREINAFTER
12 REFERRED TO AS THE "DIRECTOR OF RESEARCH", SHALL DEVELOP AND
13 MAINTAIN A SYSTEM AND PROGRAM OF DATA COLLECTION TO ASSESS THE
14 IMPACT OF PROPOSED MANDATED HEALTH CARE BENEFITS, INCLUDING
15 COSTS TO EMPLOYERS, EMPLOYEES, INDIVIDUAL PURCHASERS, AND
16 INSURERS, THE IMPACT OF TREATMENT, THE COST SAVINGS IN THE HEALTH
17 CARE SYSTEM, THE NUMBER OF PROVIDERS, AND OTHER DATA AS MAY BE
18 APPROPRIATE. WHEN A LEGISLATIVE MEASURE CONTAINING A MANDATED
19 HEALTH INSURANCE BENEFIT IS PROPOSED, THE DIRECTOR OF RESEARCH
20 SHALL ASSESS THE SOCIAL AND FINANCIAL IMPACT OF THE PROPOSED
21 MANDATE AND SHALL PROVIDE THE ANALYSIS IN CONJUNCTION WITH OR
22 AS AN ADDENDUM TO THE FISCAL IMPACT ANALYSIS OF THE MEASURE
23 CONDUCTED PURSUANT TO SECTION 2-2-322.

24 (b) THE DIRECTOR OF RESEARCH MAY SEEK INPUT AND
25 INFORMATION FROM THE COMMISSIONER OF INSURANCE, THE DIVISION OF
26 INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES, ANY OTHER
27 STATE DEPARTMENT, AGENCY, OR INSTITUTION, AND ANY OTHER PERSON

1 OR ENTITY HE OR SHE DEEMS NECESSARY. IF THE DIRECTOR OF RESEARCH
2 SEEKS SUCH INPUT, THE PERSON OR ENTITY SHALL PROVIDE INFORMATION
3 TO ASSIST THE DIRECTOR OF RESEARCH IN PERFORMING THE ANALYSIS
4 REQUIRED BY THIS SECTION.

5 (c) THE DIRECTOR OF RESEARCH MAY DEVELOP GUIDELINES AND
6 DEADLINES FOR SUBMISSION OF INFORMATION FROM PERSONS FROM WHOM
7 THE DIRECTOR OF RESEARCH HAS REQUESTED INFORMATION, INCLUDING
8 SUBMISSION OF THE REPORT REQUIRED BY SUBSECTION (2) OF THIS
9 SECTION. ADDITIONALLY, THE GUIDELINES MAY ADDRESS SUBMISSION OF
10 INFORMATION FROM MEMBERS OF THE PUBLIC.

11 (d) THE DIRECTOR OF RESEARCH MAY ACCEPT AND EXPEND
12 FEDERAL FUNDS, GIFTS, GRANTS, AND DONATIONS AVAILABLE OR
13 CONTRIBUTED TO ASSIST IN CONDUCTING THE ANALYSIS REQUIRED BY THIS
14 SECTION. ANY FUNDS OR DONATIONS SHALL BE TRANSMITTED TO THE
15 STATE TREASURER FOR DEPOSIT IN THE LEGISLATIVE DEPARTMENT CASH
16 FUND CREATED IN SECTION 2-2-1601.

17 ~~(1)~~ (2) (a) **[Formerly 10-16-103]** ~~Every~~ A person or organization
18 ~~which seeks~~ SEEKING legislative action ~~which would~~ TO mandate a health
19 coverage ~~or offering of a health coverage~~ by an insurance carrier,
20 nonprofit hospital and health care service corporation, health maintenance
21 organization, or prepaid dental care plan organization as a component of
22 individual or group policies shall submit a report to the legislative
23 ~~committee of reference~~ DIRECTOR OF RESEARCH addressing ~~both~~ the social
24 and financial impacts of ~~such~~ THE coverage, including the efficacy of the
25 treatment or service proposed.

26 ~~(2)~~ (b) ~~Guidelines for~~ IN assessing the impact of proposed
27 mandated ~~or mandatorily offered~~ health coverage, ~~to the extent that~~

1 ~~information is available~~ THE PROPONENTS shall include, but not be limited
2 to, ANALYZE AT LEAST the following, TO THE EXTENT RELEVANT
3 INFORMATION IS AVAILABLE:

4 (a) (I) The social impact of ~~such~~ THE mandatory coverage,
5 including, but not limited to, the following:

6 (H) (A) The extent to which the treatment or service is generally
7 utilized by a significant portion of the population;

8 (H) (B) The extent to which the insurance coverage is ~~already~~
9 ~~generally~~ CURRENTLY available to the general population;

10 (H) (C) The extent to which the lack of coverage results in
11 persons avoiding necessary health care treatments; AND

12 ~~(IV) The extent to which the lack of coverage results in~~
13 ~~unreasonable financial hardship;~~

14 ~~(V) (D) The level of public demand for the treatment or service,~~
15 ~~including the public level of demand for insurance coverage of such~~ THE
16 ~~treatment or service;~~

17 ~~(VI) The level of interest of collective bargaining agents in~~
18 ~~negotiating privately for inclusion of this coverage in group contracts;~~

19 (b) (II) The financial impact of ~~such~~ THE mandatory coverage,
20 including, but not limited to, the following:

21 (H) (A) The extent to which the coverage will increase or decrease
22 the cost of the treatment or service;

23 (H) (B) The extent to which the coverage will increase the
24 appropriate use of the treatment or service;

25 (H) (C) The extent to which the mandated treatment or service
26 will be a substitute for more expensive treatment or coverage; AND

27 ~~(IV) (D) The extent to which the coverage will increase or~~

1 decrease the administrative expenses of insurance companies and the
2 premium and administrative expenses of policyholders.

3 ~~(V) The impact of this coverage on the total cost of health care in~~
4 ~~Colorado.~~

5 **SECTION 3.** 2-2-1601 (1) and (2), Colorado Revised Statutes,
6 are amended to read:

7 **2-2-1601. Legislative department cash fund - creation.**

8 (1) There is hereby created in the state treasury the legislative department
9 cash fund. The fund shall be comprised of such moneys that the general
10 assembly, the house of representatives, the senate, or any legislative
11 service agency accepts as gifts, grants, or donations from private and
12 public sources, MONEYS CREDITED TO THE FUND IN ACCORDANCE WITH
13 SECTION 2-2-326 OR 10-16-103.3 (2), C.R.S., and any other moneys
14 appropriated to the fund. All interest earned on the investment of moneys
15 in the fund shall be credited to the fund. Any moneys credited to the fund
16 and unexpended at the end of any given fiscal year shall remain in the
17 fund and shall not revert to the general fund.

18 (2) (a) Moneys in the legislative department cash fund are
19 continuously appropriated to the executive committee of the legislative
20 council to pay for expenses of the legislative department of the state of
21 Colorado. Moneys in the fund shall be expended consistent with any
22 terms and conditions imposed as a condition of receiving such moneys as
23 gifts, grants, or donations.

24 (b) MONEYS CREDITED TO THE LEGISLATIVE DEPARTMENT CASH
25 FUND PURSUANT TO SECTION 2-2-326 OR 10-16-103.3 (2), C.R.S., SHALL
26 BE USED TO PAY FOR EXPENSES OF THE DIRECTOR OF RESEARCH OF THE
27 LEGISLATIVE COUNCIL RELATED TO THE PERFORMANCE OF THE ANALYSIS

1 OF MANDATED HEALTH INSURANCE BENEFITS PROPOSALS REQUIRED BY
2 SECTION 2-2-326.

3 **SECTION 4.** 10-16-103.3, Colorado Revised Statutes, is
4 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

5 **10-16-103.3. Assessment on carriers - funding analysis of**
6 **proposals to mandate health insurance benefits.** (1) THE
7 COMMISSIONER SHALL ASSESS AGAINST CARRIERS ANY FEES AS MAY BE
8 REASONABLE AND NECESSARY FOR THE DIRECTOR OF RESEARCH OF THE
9 LEGISLATIVE COUNCIL TO ANALYZE LEGISLATIVE PROPOSALS FOR NEW
10 MANDATED HEALTH INSURANCE BENEFITS PURSUANT TO SECTION 2-2-326,
11 C.R.S. THE AMOUNT OF THE FEES AND THE CARRIERS SUBJECT TO THE
12 FEES, BASED ON MARKET SHARE, SHALL BE DETERMINED BY RULE OF THE
13 COMMISSIONER, IN CONSULTATION WITH THE DIRECTOR OF RESEARCH, AND
14 THE FEES SHALL BE SET AT A LEVEL THAT IS SUFFICIENT TO COVER THE
15 ACTUAL COSTS IN CONDUCTING THE ANALYSIS, AS DETERMINED BY THE
16 DIRECTOR OF RESEARCH. THE RULES SHALL ALSO SPECIFY THE TIME FOR
17 BILLING AND COLLECTION OF THE FEES. IF A CARRIER SUBJECT TO FEES
18 FAILS TO PAY ITS FEE TIMELY, THE COMMISSIONER MAY USE ALL POWERS
19 CONFERRED ON THE COMMISSIONER BY THE INSURANCE LAWS OF THIS
20 STATE TO ENFORCE PAYMENT OF THE FEES.

21 (2) FEES COLLECTED PURSUANT TO SUBSECTION (1) OF THIS
22 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
23 CREDIT THE SAME TO THE LEGISLATIVE DEPARTMENT CASH FUND CREATED
24 IN SECTION 2-2-1601, C.R.S.

25 **SECTION 5. Repeal of provisions being relocated in this**
26 **act.** 10-16-103, Colorado Revised Statutes, is repealed.

27 **SECTION 6.** 10-16-104, Colorado Revised Statutes, is amended

1 BY THE ADDITION OF A NEW SUBSECTION to read:

2 **10-16-104. Mandatory coverage provisions - definitions.**

3 (21) THE GENERAL ASSEMBLY HEREBY IMPOSES A ONE-YEAR
4 MORATORIUM, EFFECTIVE FOR THE TWELVE-MONTH PERIOD AFTER THE
5 EFFECTIVE DATE OF THIS SUBSECTION (21), ON THE ENACTMENT OF ANY
6 NEW MANDATED HEALTH INSURANCE BENEFITS.

7 **SECTION 7. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.