

Winds of Change at the Capitol

Policy Trends for the 2015 Legislative Session



Republicans did well in the 2014 election, capturing the state Senate for the first time in a decade. But Democratic Governor John Hickenlooper won re-election, and his party retained control of the House of Representatives.

Because of split control of the House and Senate, Democrats can no longer hold sway over the agenda, and votes from both parties will be needed to pass legislation. For Hickenlooper, it means every bill that reaches his desk will be bipartisan to some degree.

Following are some of the weighty and politically charged issues that the General Assembly will debate during the 2015 session.



Oil and Gas

Hickenlooper's task force on local government authority over drilling and hydraulic fracturing is due to report to the governor February 27. Bills to strengthen local control have failed even when Democrats controlled the full legislature.

But public protests continue over the perceived health hazards of drilling, and U.S. Rep. Jared Polis has said he will sponsor new ballot initiatives to regulate drilling if the legislature declines to act this session.

A Reversal of 2013?

Senate Republicans campaigned on a platform of undoing laws Democrats passed in 2013. Chief among them: gun bills that banned the sale of ammunition magazines larger than 15 rounds and mandated background checks for private-party gun sales.



Democrats say their gun bills improve public safety. Republican say the laws are onerous. But attempts at repeal could be blocked in House committees.

Money Matters

The state budget could be the session's main event. School advocates are pushing to continue restoring funding that was cut during the recession. Meanwhile, Medicaid enrollment is growing, and health care agencies are competing for the same state dollars as schools.

Legislators also will debate whether to refund revenue through the Taxpayer's Bill of Rights (TABOR), or ask voters to spend it on services such as schools and health.

EXPECTED HEALTH CARE LEGISLATION

Marijuana

- **Caregivers:** In 2014, the state Board of Health debated stricter limits on the number of medical marijuana users who can be served by a single caregiver. Some legislators say they will propose stricter rules than those set by the Board of Health.
- **Public health:** The legislature set up a public health task force to study the effects of legalized recreational pot. The report is due January 31.
- **Edibles:** A task force commissioned by the legislature ended in stalemate when it tried to propose rules to distinguish edible marijuana from regular food and candy. Expect the issue to resurface this session.
- **Taxes:** Medical marijuana is taxed at a lower rate than recreational pot. Some lawmakers want an increase.



Unplanned Pregnancy Reduction

- **\$5 million request:** Hickenlooper has asked the legislature to continue funding a program that has reduced unplanned pregnancies by paying for long-acting birth control, such as IUDs, for women who can't afford it. There is opposition from legislators who have moral objections with this type of birth control.

Health Insurance Reform

- **Audit:** The Legislative Audit Committee is sponsoring a bill to conduct a broader audit of the Connect for Health Colorado insurance marketplace. A similar bill was defeated last year.
- **Health Insurance Navigators:** A push is being made to require people who help others sign up for insurance to be registered and licensed.



Physician-Assisted Dying

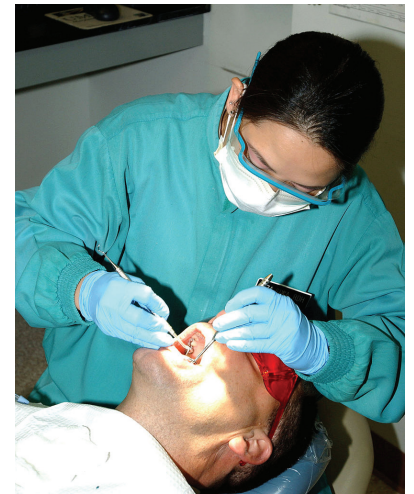
- **Oregon-style law:** Two legislators say they will introduce a bill to allow doctors to help terminally ill patients who want to die. The bill is prompted by a Colorado man with ALS who wrote a newspaper column about his suffering and the lack of a legal way to end his life. Oregon was the first state to adopt this type of law.

Costs of Health Care

- **Insurance rates:** Consumers continue to be unhappy with their insurance premiums. A possible bill would increase opportunities for public comment before the Division of Insurance approves new rates each year.
- **Specialty drugs:** Although insurance companies cannot deny coverage for pre-existing conditions, some patients with chronic conditions say they are being charged too much for their specialty medications. Watch for discussion of price limits on the most costly drugs.
- **Medical-dental policies:** Some combined medical-dental insurance policies for children make families pay their whole deductible before they can receive dental benefits. A possible bill would call for new regulations to separate the deductibles.

Workforce

- **Dental hygienists:** A potential bill would give dental hygienists authority to perform temporary fillings.
- **Nurse prescriptive authority:** A likely bill would make it easier for advanced practice nurses to write prescriptions without physician oversight. The idea comes from the Nurse Physician Advisory Taskforce for Colorado Healthcare.



Commission on Affordable Health Care

- **Looking into high costs:** The Colorado Commission on Affordable Health Care is just beginning a three-year investigation into the broad and politically sensitive topic of health costs. While the commission is meeting, legislators might delay controversial bills or refer them to the commission for study.

THE POLITICAL LANDSCAPE

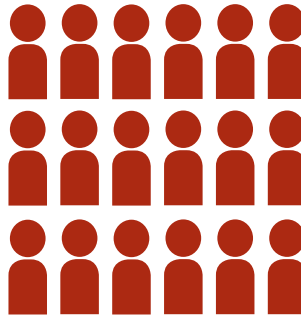
Republicans took control of the Senate for the first time since 2004. Meanwhile, Democrats held the House, but by a narrower margin. The legislature is more closely divided today than anytime in recent memory.

THE SENATE: 18 votes to pass a bill

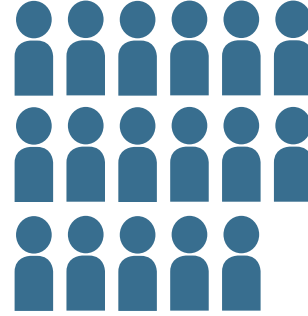


President
Bill Cadman
Republican,
Colorado Springs

18 Republicans



17 Democrats

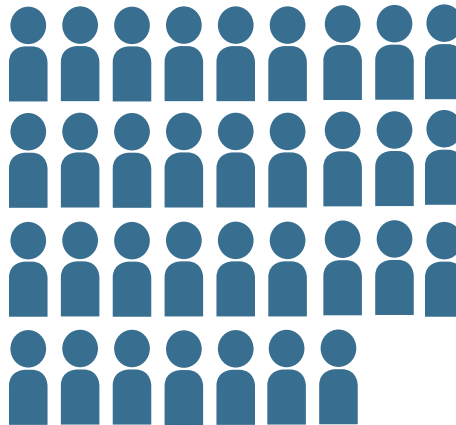


THE HOUSE: 33 votes to pass a bill

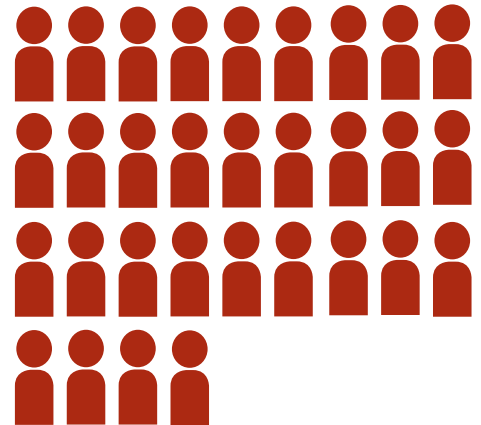


Speaker
Dickey Lee
Hulinghorst
Democrat,
Boulder

34 Democrats



31 Republicans



HEALTH COMMITTEES

Senate Health and Human Services

Republicans

- Sen. Kevin Lundberg, *chair*
- Sen. Larry Crowder, *vice-chair*
- Sen. Beth Martinez Humenik

Democrats

- Sen. Irene Aguilar, *ranking member*
- Sen. Linda Newell

House Health, Insurance and Environment

Democrats

- Rep. Beth McCann, *chair*
- Rep. Joann Ginal, *vice-chair*
- Rep. Diane Mitsch Bush
- Rep. Dianne Primavera
- Rep. Su Ryden
- Rep. Daneya Esgar
- Rep. Susan Lontine

Republicans

- Rep. Janak Joshi, *ranking member*
- Rep. Steve Humphrey
- Rep. Lois Landgraf
- Rep. J. Paul Brown
- Rep. Gordon Klingenschmitt
- Rep. Kim Ransom

House Public Health Care and Human Services

Democrats

- Rep. Dianne Primavera, *chair*
- Rep. Jonathan Singer, *vice-chair*
- Rep. Joann Ginal
- Rep. Jovan Melton
- Rep. Dominick Moreno
- Rep. Max Tyler
- Rep. Jessie Danielson

Republicans

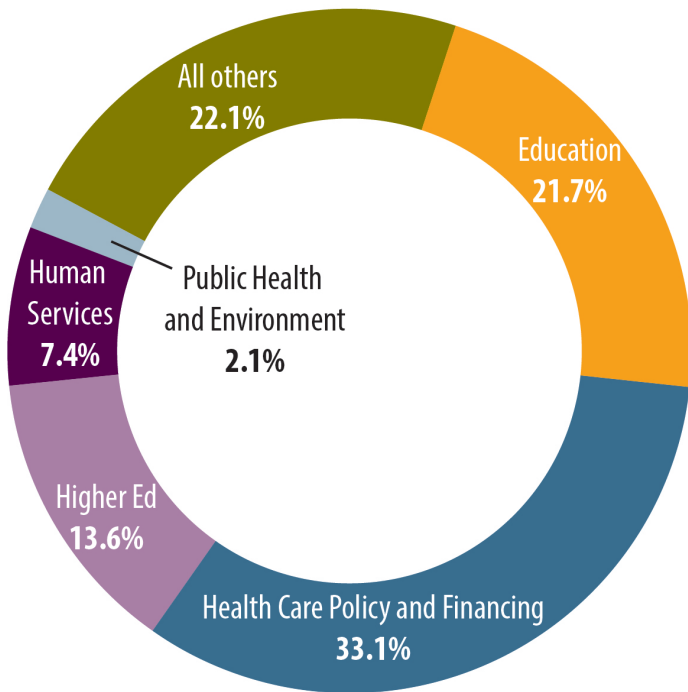
- Rep. Lois Landgraf, *ranking member*
- Rep. Kathleen Conti
- Rep. Justin Everett
- Rep. Janak Joshi
- Rep. Jon Keyser
- Rep. JoAnn Windholz

THE BUDGET

The governor's 2015-16 budget request includes significant increases for K-12 education and colleges, made possible by economic growth. The HCPF budget is up nearly 10 percent compared with last year because of Medicaid expansion.

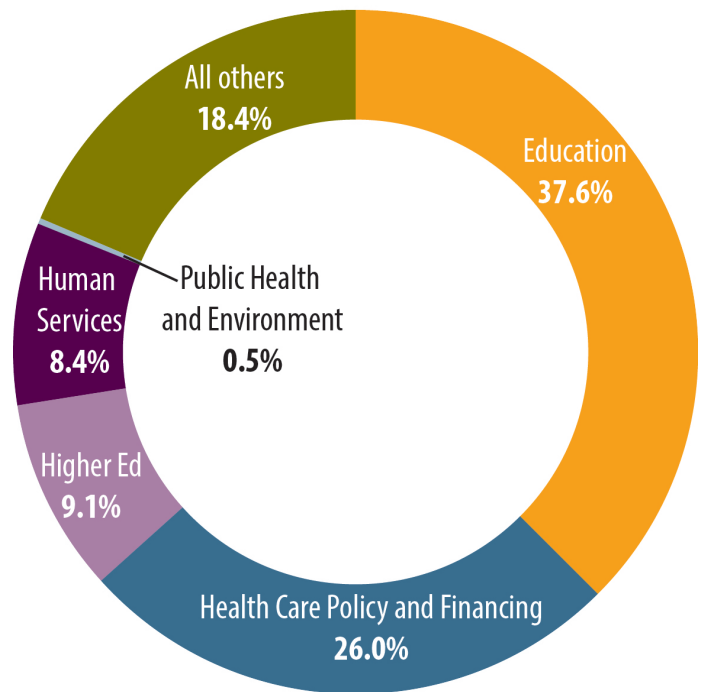
\$26.1 billion

Overall FY 15-16 Budget Request



\$9.6 billion

General Fund FY 15-16 Request



TABOR REFUNDS

The Taxpayer's Bill of Rights will be a factor in state budgeting this year for the first time in a decade.

TABOR, passed by voters in 1992, requires the state to refund to taxpayers any revenue in excess of a limit based on inflation plus population growth. TABOR refunds have occurred only once since 2000. Voters could give the state permission to keep the money.

Refunds Projected by Legislative Council

Fiscal Year 2016-17: **\$120 million**

Fiscal Year 2017-18: **\$620 million**

The governor's Office of State Planning and Budgeting projects that refunds will be required sooner.

Refund Mechanisms in Current Law

First, Earned Income Tax Credit.

Next, a temporary income tax rate cut to 4.5 percent (only if the TABOR surplus is large enough to finance a rate cut, which is unlikely in 2016-17).

Finally, a sales tax refund to all tax filers.

Hospital Fee: A TABOR Wild Card

By declaring the approximately \$600 million hospital provider fee is not subject to TABOR revenue limits, legislators could avoid refunds for the next few years.

HEALTH-RELATED STATE DEPARTMENTS

Regulatory Agencies (DORA)

\$87M

Total appropriation
2014-15 (\$1.9 million
from the general fund)

<0.1%

Percentage of state
general fund

- **Proposed Request 2015-16:** \$86.8 million
 - *Total Increase:* \$0.1 million
 - *Percentage Increase:* 0.2 percent
- **Full-Time Employees 2014-15:** 587.6
- **Proposed Full-Time Employees 2015-16:** 583.6
 - *Total Decrease:* 4.0 employees
 - *Percentage Decrease:* 0.7 percent

What to Watch

Health insurance premiums in Colorado's mountain resort counties were among the highest in the country in 2014. In response, the Division of Insurance, which is part of DORA, changed the state's geographic insurance markets, resulting in lower rates in some places. The division will continue monitoring rates.

Human Services (CDHS)

\$1.9B

Total appropriation
2014-15 (\$782 million
from the general fund)

8.8%

Percentage of state
general fund

- **Proposed Request 2015-16:** \$1.9 billion
 - *Total Increase:* \$16.5 million
 - *Percentage Increase:* 0.9 percent
- **Full-Time Employees 2014-15:** 4,906.1
- **Proposed Full-Time Employees 2015-16:** 5,038.9
 - *Total Increase:* 132.8 employees
 - *Percentage Increase:* 2.7 percent

What to Watch

CDHS's goals for FY 2015-16 are to reduce the workloads of county child welfare employees, bolster services in the child welfare and youth corrections systems and improve conditions in the state's two mental health institutes.

Health Care Policy and Financing (HCPF)

\$7.9B

Total appropriation
2014-15 (\$2.3 billion
from the general fund)

25.3%

Percentage of state
general fund

- **Proposed Request 2015-16:** \$8.6 billion
 - *Total Increase:* \$757.4 million
 - *Percentage Increase:* 9.6 percent
- **Full-Time Employees 2014-15:** 390.9
- **Proposed Full-Time Employees 2015-16:** 412.8
 - *Total Increase:* 21.9 employees
 - *Percentage Increase:* 5.6 percent

What to Watch

The increase in Medicaid enrollment could present a challenge for HCPF, which oversees the public insurance program. Meanwhile, the agency's Accountable Care Collaborative has begun serving clients who are enrolled in both Medicare and Medicaid. The ACC resulted in savings of about \$31 million in FY 2013-14.

Public Health and Environment (CDPHE)

\$551M

Total appropriation
2014-15 (\$64 million
from the general fund)

0.7%

Percentage of state
general fund

- **Proposed Request 2015-16:** \$548.6 million
 - *Total Decrease:* \$2.7 million
 - *Percentage Decrease:* 0.5 percent
- **Full-Time Employees 2014-15:** 1,265.0
- **Proposed Full-Time Employees 2015-16:** 1,278.7
 - *Total Increase:* 13.7 employees
 - *Percentage Increase:* 1.1 percent

What to Watch

CDPHE has requested more funding for the Colorado Health Service Corps, a program that offers health care professionals education loan repayment to attract them to rural and underserved communities.



The Colorado Health Institute is a trusted source of independent and objective health information, data and analysis for the state's health care leaders. The Colorado Health Institute is funded by the Caring for Colorado Foundation, Rose Community Foundation, The Colorado Trust and the Colorado Health Foundation.

303 E. 17th Ave., Suite 930, Denver, CO 80203 • 303.831.4200
coloradohealthinstitute.org