colorado health INSTITUTE

10 Bills in 10 Years

A Decade of Colorado Health Care Policy

As part of the Colorado Health Institute's 10-year anniversary, we looked back over the past decade to identify the state's most impactful health care bills. Narrowing the list wasn't easy, but in the end, we selected laws falling into three categories:

- **Restructuring:** Laws that fundamentally changed the structure of Colorado's health care system, either by transforming funding mechanisms, regulatory oversight, state agency composition, delivery of care or other key aspects.
- **Innovating:** Laws that fostered significant health care innovations, setting the stage for advancements that are transforming Colorado's health care landscape.
- **Expanding Coverage:** Laws extending health insurance coverage to more Colorado residents. Colorado has continued a fairly steady path of health care policies aimed at increasing coverage for vulnerable populations.

Finally, it is worth noting that there were many other health care laws established over the past decade that encouraged positive changes but did not make this list. With few exceptions, most health care policies approved by Colorado lawmakers have made smaller, incremental changes rather than radical overhauls. These laws may not be listed here, but that certainly doesn't mean that they were ineffective. Many resulted in small but important changes, which over time added up to a big difference in the way that health care is structured and delivered in Colorado.

The following are CHI's top 10 Colorado health care bills from 2002 through 2012, starting with the most recent.

Hospital Payment Assistance Act
(Senate Bill 12-134), 2012

Prior to the Hospital Payment Assistance Act, uninsured people were often billed the highest rates for hospital procedures. While large insurance companies and public insurance programs were able to negotiate with hospitals to pay rates far below the "sticker price," uninsured patients lacked bargaining power and were often stuck paying full price – which could be as much as three to four times the price paid by their insured counterparts.

The Hospital Payment Assistance Act included two key provisions aimed at assisting the uninsured. First, the law requires Colorado hospitals to automatically bill low-income, uninsured patients at the lowest-negotiated fee for their medical care. Second, SB 12-134 requires hospitals to make patients aware of financial assistance and charity programs by posting information in hospital waiting rooms, online and on patient bills. Furthermore, the bill requires hospitals to screen the uninsured for discount programs and to offer reasonable payment plans before sending bills to a collection agency.

COLORADO HEALTH BENEFIT EXCHANGE

Colorado Health Benefit Exchange Act
(Senate Bill 11-200), 2011

The federal Affordable Care Act gave states the option to develop their own insurance exchanges or to instead participate in a national health benefit exchange run by the federal government. Colorado legislators opted to create a Colorado exchange by passing SB 11-200, which established the Colorado Health Benefit Exchange, or COHBE. The goal is to provide a competitive marketplace for health insurance, allowing individuals, families and small employers to more easily compare prices and options of various insurance products. The legislation established a 12-member board of directors to govern Colorado's exchange, as well as a 10-member legislative review committee to guide the exchange's implementation, operational plans and grant applications. Time will reveal the long-term viability of Colorado's insurance exchange, which is expected to begin offering health plans in October 2013 and must be self-financing by January 2015. In any event, this significant legislation helped to establish an entirely new system for purchasing insurance within the state.

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Colorado Health Service Corps Act
(House Bill 10-1138), 2010

This law provided new incentives for health care professionals to practice in underserved rural and urban communities by establishing the Colorado Health Service Corps under the Colorado Department of Public Health and Environment. The program provides financial incentives to eligible health care professionals who provide primary care services in medically underserved areas. Under the law, health care professionals must agree to work in a federally designated health professional shortage area for at least two years to receive repayment of their student loans. In 2011, the state invested about $120,000 for the program. Combined with contributions from local foundations, federal funds and other sources, the health corps has provided almost $4 million in loan repayment to 100 health care providers since passage of the law.

Colorado Health Care Affordability Act
(House Bill 09-1293), 2009

This landmark law expanded coverage to a significant number of uninsured Coloradans by allowing the state to assess a provider fee on hospitals. Under the bill, the revenues from the hospital provider fee are matched by the federal government. The funds are used to expand eligibility for the Medicaid and Child Health Plan Plus (CHP+) programs. The provider fee also helps to reduce uncompensated care provided by hospitals and increases provider reimbursement rates for treating patients enrolled in Medicaid or the Colorado Indigent Care Program. Efforts failed to overturn the legislation in 2011, and the provider fee continues to help pay for covering Colorado's uninsured. The provider fee had expanded health care coverage to 60,000 previously uninsured Coloradans as of August 2012, according to the Colorado Hospital Association – a major supporter of the bill. That figure could reach as many as 100,000 people by the time the bill is fully implemented in September 2013.

Colorado Public Health Reauthorization Act
(Senate Bill 08-194), 2008

This law renovated the structure, standards and plans for the state's public health system. All state and local public health agencies are required to develop a public health plan that specifies their priorities and establishes ways to streamline and improve the delivery of quality health services. Additionally, the law requires every county to establish or join a local public health agency, each of which is organized under a local board of health. The Colorado Public Health Alliance has commissioned a study to evaluate the effect of the bill's mandated changes to the public health system on core service delivery and health outcomes. Results are expected to be available in November 2013.

Medicaid and CHP+ Expansion
(Senate Bills 08-160 and 161), 2008

These bills were passed back-to-back in 2008. Together, they expanded eligibility for Colorado's Medicaid and CHP+ public insurance benefits, while removing some of the potential barriers in the application process. SB 08-160 expanded eligibility for the Children's Basic Health Plan for from 205 percent of federal poverty level (FPL) to 225 percent of FPL for both children and pregnant women. The law also allowed for the possibility of future eligibility expansions up to 250 percent of FPL, depending on available appropriations, and it increased the program's mental health benefits. Meanwhile, Senate Bill 08-161 made it easier for applicants to verify their eligibility by requiring the Colorado Department of Health Care Policy and Financing to verify applicants' income status through the Department of Labor and Employment. Previously it was up to Medicaid and CHP+ applicants to provide verification of their income. Together, these bills expanded coverage and simplified the application process for Medicaid and CHP+.

Rates Banding Bill
(House Bill 07-1355), 2007

Controlling costs within the small group insurance market has been a continual challenge for Colorado. This bill was aimed at increasing enrollment while lowering premium costs for small businesses. The law prohibited insurance providers from using claims experience and health status to set rates within the small group market. This bill essentially reversed a prior piece of legislation, HB 03-1164, which had allowed small group insurers to forgo several state-mandated benefits, such as mammograms and prostate cancer screenings, and to base premium costs on criteria such as health status, prior claims and tobacco use. Colorado's small group market saw higher costs and declining enrollment following the earlier bill's passage in 2003. To address that problem, the legislature passed the Rates Banding Bill,

which forbids insurers from using the health status of employees at a particular company when determining rates; however, some factors such as age, industry type, tobacco use and geography could still be considered. While the bill marked a significant change in the way rates were set, the number of groups in Colorado's small group market has continued to decline.

208 Commission
(Senate Bill 06-208), 2006

This bill created the Blue Ribbon Commission for Health Care Reform, a special task force charged with studying and recommending health care reform models for expanding coverage, particularly for the underinsured and uninsured, and to decrease health care costs for Coloradans. Also known as the 208 commission, the 24-member group was comprised of a diverse group of health care stakeholders including consumers, insurers, providers and the business community. After extensive analysis and public input, the 208 commission submitted a health care proposal for Colorado in January 2008 containing recommendations that received bipartisan support. Although the subsequent economic downtown precluded implementation of many 208 Commission recommendations, the bill was nonetheless significant in that it brought both parties together to establish the state's key health care priorities and goals, and established a road map forward for achieving those objectives.

Colorado Health Care Services Fund Act *(Senate Bill 06-044), 2006*

This law provided additional funding for the expansion of the Colorado Indigent Care Program (CICP) to low-income adults at or below 250 percent of FPL. Previously, the income limit was 200 percent of FPL. The CICP is a state program that partially reimburses hospital- and community health clinic-based CICP providers for uncompensated services to eligible indigent patients not eligible for Medicaid or CHP+. The CICP, while neither a health insurance nor entitlement program, provides beneficiaries visiting a participating provider with discounted health care. In FY 2010-11, 225,000 Coloradans were served under the CICP, with payments to providers totaling $326 million.

Tobacco Tax Increase
(Amendment 35 and House Bill 05-1262), 2004 and 2005

This constitutional amendment appeared on the ballet in November 2004 and was approved by Colorado voters with a 61% majority. Amendment 35 increased tobacco taxes by 64 cents for every pack of cigarettes – up from 20 cents-a-pack – and mandated a 20 percent increase on all other tobacco products. The resulting revenues are used to fund a variety of health care programs, including expanding CHP+ and Medicaid coverage and providing additional funding to community health centers, services for detection and treatment of chronic diseases, cancer research, tobacco education and other programs. One year later, the legislature passed HB 05-1262 to aid with the oversight and implementation of Amendment 35 and its resulting programs. After the legislature declared a fiscal emergency in 2008, Amendment 35 funds were redirected to the general fund from 2009-2011 to cover rapidly increasing Medicaid costs. But with economy now in recovery, Amendment 35 funds are once again being utilized for their originally intended purpose. The act continues to raise significant revenues for Colorado's health care programs; in FY11-12, it is estimated that Colorado will receive a total of $141 million in Amendment 35 dollars.

CHI is a trusted source of independent and objective health information, data and analysis for the state's health care leaders. CHI, celebrating its tenth anniversary in 2012, is funded today by the Caring for Colorado Foundation, Rose Community Foundation, The Colorado Trust and The Colorado Health Foundation.

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