

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 18, 2014
Date

Committee on Public Health Care & Human Services.

After consideration on the merits, the Committee recommends the following:

HB14-1115 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, strike everything below the enacting clause and
2 substitute:
- 3 **"SECTION 1. Legislative declaration.** (1) Colorado expansion
4 of its medicaid program during the past few years through both
5 state-initiated legislation and through the inclusion of new eligibility
6 groups pursuant to the federal "Patient Protection and Affordable Care
7 Act", P.L. 111-148, is projected to be very costly to the state, committing
8 a significant percentage of the state's revenues. Many of these new
9 medicaid recipients with income levels at or near the medicaid income
10 eligibility level will alternate between medicaid and private insurance as
11 their incomes fluctuate, leading to lapses in health care. Enrolling
12 medicaid clients in health insurance programs through the state exchange
13 as part of a premium assistance program not only may help eliminate the
14 duration of expected lapses in health care services but also reduce the
15 administrative burdens on these low-income individuals and families.
- 16 (2) At the same time, according to the Colorado health institute,
17 there are significant regional variations in the availability of primary care
18 physicians in Colorado, with several regions of the state falling below the
19 recommended ratio of medicaid enrollees to primary care providers who
20 treat medicaid patients. By enrolling medicaid clients in health insurance
21 plans offered on the state exchange, access to primary care physicians
22 will increase through the health plans' provider networks, providing
23 timely and cost-effective health care.
- 24 (3) Many states have implemented premium assistance programs

1 and more are exploring this model for providing health care coverage to
2 their citizens. Given the expected increase in enrollment in Colorado's
3 medicaid program, the shortage of primary care physicians in Colorado
4 who will serve medicaid clients, and the negative impacts to both clients
5 and the system as a whole as a result of fluctuations in client medicaid
6 income eligibility, the general assembly declares that it is appropriate to
7 study premium assistance models for Colorado's medicaid program and
8 to make recommendations to the general assembly regarding how client
9 enrollment in health insurance plans may address some of these
10 challenges.

11 **SECTION 2.** In Colorado Revised Statutes, **add 25.5-5-323** as
12 follows:

13 **25.5-5-323. Medicaid expansion through premium assistance**
14 **study - waiver - report - repeal.** (1) ON OR BEFORE JANUARY 1, 2016,
15 THE STATE DEPARTMENT SHALL CONDUCT A STUDY AND MAKE
16 RECOMMENDATIONS TO THE GENERAL ASSEMBLY CONCERNING THE
17 FEASIBILITY OF IMPLEMENTING A PROGRAM FOR PREMIUM ASSISTANCE TO
18 ENROLL MEDICAID-ELIGIBLE CLIENTS IN HEALTH INSURANCE PROGRAMS
19 THAT ARE AVAILABLE THROUGH THE STATE EXCHANGE.

20 (2) AT A MINIMUM, THE STUDY CONDUCTED BY THE STATE
21 DEPARTMENT MUST INCLUDE:

22 (a) AN ANALYSIS OF OTHER STATES' PREMIUM ASSISTANCE
23 PROGRAMS THAT INCLUDE MEDICAID-ELIGIBLE CLIENTS AND THE
24 PROVISIONS OF THOSE PROGRAMS THAT COULD BE IMPLEMENTED FOR
25 COLORADO'S MEDICAID POPULATIONS;

26 (b) A COMPARISON OF THE BENEFITS OFFERED THROUGH THE
27 MEDICAID PROGRAM AND THE BENEFITS OFFERED THROUGH HEALTH
28 INSURANCE PROGRAMS AVAILABLE THROUGH THE STATE EXCHANGE;

29 (c) AN ANALYSIS OF FEDERAL MEDICAID LAW, INCLUDING:

30 (I) THE ABILITY OF THE STATE TO REQUIRE MEDICAID-ELIGIBLE
31 CLIENTS TO PARTICIPATE IN A PREMIUM ASSISTANCE PROGRAM;

32 (II) THE EXTENT TO WHICH COST SHARING COULD BE
33 IMPLEMENTED AS PART OF A PREMIUM ASSISTANCE PROGRAM AND
34 WHETHER COST SHARING MAY BE IMPLEMENTED FOR A PARTICULAR
35 ELIGIBILITY GROUP;

36 (III) WHETHER THE STATE MUST PROVIDE WRAP-AROUND BENEFITS
37 THAT ARE NOT OFFERED THROUGH A HEALTH INSURANCE PROGRAM
38 AVAILABLE ON THE STATE EXCHANGE AND HOW THE STATE MIGHT
39 STRUCTURE WRAP-AROUND BENEFITS; AND

40 (IV) THE NEED FOR FEDERAL APPROVAL THROUGH A WAIVER OR
41 AS A STATE PLAN OPTION;

1 (d) AN ANALYSIS OF THE NUMBER OF CLIENTS WHO MUST
2 PARTICIPATE IN A PREMIUM ASSISTANCE PROGRAM FOR THE PROGRAM TO
3 BE COST-EFFECTIVE TO THE STATE;

4 (e) AN ANALYSIS OF WHETHER CERTAIN POPULATIONS SUCH AS THE
5 MEDICALLY FRAIL SHOULD BE INCLUDED IN THE PREMIUM ASSISTANCE
6 PROGRAM;

7 (f) WHETHER THE CLIENTS ENROLLED IN OTHER HEALTH CARE
8 PROGRAMS SUCH AS THE CHILDREN'S BASIC HEALTH PLAN SHOULD BE
9 INCLUDED IN A MEDICAID PREMIUM ASSISTANCE PROGRAM;

10 (g) AN ESTIMATE OF THE STATE DEPARTMENT'S ADMINISTRATIVE
11 COSTS RELATING TO THE IMPLEMENTATION OF A PREMIUM ASSISTANCE
12 PROGRAM, TAKING INTO ACCOUNT THE MOST EFFICIENT METHOD FOR
13 OFFERING ANY REQUIRED WRAP-AROUND SERVICES;

14 (h) THE POTENTIAL COST-SAVINGS TO THE STATE;

15 (i) THE ABILITY OF PRIVATE INSURERS TO PROVIDE THE STATE
16 DEPARTMENT WITH CLIENT ENCOUNTER DATA; AND

17 (j) THE APPROPRIATE OUTCOME MEASURES ASSOCIATED WITH A
18 PREMIUM ASSISTANCE PROGRAM, INCLUDING BUT NOT LIMITED TO THE
19 EFFECT OF A PREMIUM ASSISTANCE PROGRAM ON:

20 (I) TIMELY ACCESS TO HEALTH CARE PROVIDERS;

21 (II) CLIENT USE OF SERVICES, INCLUDING PREVENTATIVE SERVICES
22 AND CLIENT USE OF EMERGENCY DEPARTMENTS;

23 (III) DISRUPTIONS IN CLIENT CARE DUE TO CHANGES IN CLIENT
24 INCOME ELIGIBILITY;

25 (IV) PROVIDER REIMBURSEMENT RATES; AND

26 (V) THE PER-CLIENT COST TO THE STATE.

27 (3) IN ADDITION, THE STATE DEPARTMENT'S STUDY SHALL INCLUDE
28 AN ANALYSIS OF THE HOSPITAL PROVIDER FEE AND THE FEASIBILITY OF
29 USING THE HOSPITAL PROVIDER FEE TO MEET THE STATE'S FINANCIAL
30 OBLIGATIONS TO THE MEDICAID PROGRAM THROUGH 2020.

31 (4) IF THE STATE DEPARTMENT RECOMMENDS THE
32 IMPLEMENTATION OF A PREMIUM ASSISTANCE PROGRAM, THE STATE
33 DEPARTMENT SHALL SEEK FEDERAL APPROVAL FOR THE PROGRAM.

34 (5) ON OR BEFORE JANUARY 1, 2016, THE STATE DEPARTMENT
35 SHALL SUBMIT THE STUDY AND ITS RECOMMENDATIONS TO THE JOINT
36 BUDGET COMMITTEE AND TO THE HEALTH, INSURANCE, AND ENVIRONMENT
37 COMMITTEE AND PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE
38 OF THE HOUSE OF REPRESENTATIVES AND THE HEALTH AND HUMAN
39 SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES.

40 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016.

41 **SECTION 3. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the
2 ninety-day period after final adjournment of the general assembly (August
3 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
4 referendum petition is filed pursuant to section 1 (3) of article V of the
5 state constitution against this act or an item, section, or part of this act
6 within such period, then the act, item, section, or part will not take effect
7 unless approved by the people at the general election to be held in
8 November 2014 and, in such case, will take effect on the date of the
9 official declaration of the vote thereon by the governor."

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