

Health Care Task Force

2009 Report to Legislative Council

Members of the Task Force

Senator Betty Boyd, Chair
Representative Jerry Frangas, Vice-Chair

Representative Dennis Apuan	Senator Joyce Foster
Representative Jim Kerr	Senator Ted Harvey
Representative Tom Massey	Senator Kevin Lundberg
Representative Beth McCann	Senator Gail Schwartz

Legislative Council Staff

Elizabeth Burger, Senior Analyst
Kelly Stapleton, Senior Research Assistant
Bill Zepernick, Fiscal Analyst

Office of Legislative Legal Services

Jeremiah Barry, Senior Staff Attorney
Kristen Forrestal, Senior Staff Attorney
Christy Chase, Senior Staff Attorney
Brita Darling, Staff Attorney

Health Care Task Force

Task Force Charge

The Health Care Task Force is charged with studying provider reimbursement issues, network adequacy, and other health care issues that affect health insurance in this state (Section 10-16-221, C.R.S.).¹ The task force must meet at least four times each year, and continues until July 1, 2010.

Task Force Activities

The Health Care Task Force met six times during the 2009 interim. Each meeting focused on a variety of health-related topics. The task force heard testimony from representatives of state agencies, advocacy groups, health care providers, health educators, and national organizations. Topics discussed included the regulation of health insurance, the state's CoverColorado insurance program, mental health and substance abuse treatment, telemedicine, and federal health care reform. In addition, as permitted by House Joint Resolution 09-1022, the Task Force to Study Home Care Placement Agencies and Home Care Workers Placed through Home Care Placement Agencies presented its recommendations to the Health Care Task Force. An opportunity for public testimony was provided at five meetings of the task force.

Gender rating and maternity coverage in health insurance. House Bill 09-1224 required the Health Care Task Force to make recommendations on whether health insurers that issue insurance policies in the individual health insurance market should be permitted to use a person's gender as a factor in determining his or her premium. The task force heard from a variety of individuals and groups regarding the use of gender as an insurance rating factor. The National Conference of State Legislatures presented information to the task force regarding which states currently prohibit insurance carriers from setting premiums based on a person's gender. A representative of the National Women's Law Center summarized data showing that in states where gender rating is permitted, women often pay more for coverage. Other presenters noted that coverage for maternity care can be expensive, and that insurance policies that include maternity coverage can be more expensive than policies without that coverage. However, the presenters also explained that insurers are not required to offer maternity coverage to individuals who purchase coverage through the individual insurance market, and that individual coverage for women is often more expensive than for men, even if maternity coverage is not included.

The committee also heard testimony from representatives of insurance carriers and brokers. These presenters noted that individual health care premiums are determined based upon an actuarial assessment of a person's expected use of health care throughout his or her life. Because, in general, women use more health care services than men, their premiums are often more expensive. Men may utilize more health care services as they age, and the disparity in premiums between men and women may become less pronounced over time. Finally, the representatives noted that the Division of Insurance is required to review health insurance premiums in order to determine if they are actuarially sound.

¹Up until its repeal on July 1, 2004, the Health Care Task Force existed in Section 26-15-107, C.R.S. The Health Care Task Force was reinstated in 2005 with the passage of Senate Bill 05-227.

As a result of its discussions, the Health Care Task Force recommends two bills related to gender rating and maternity coverage in the individual health insurance market. Bill A prohibits the use of gender as a rating factor for individual health insurance policies. Bill E requires health insurance carriers that issue individual policies to provide the same coverage for maternity care as is currently mandated for group policies regulated by the state.

CoverColorado. CoverColorado is the state's program to provide access to health insurance for individuals who have been denied coverage in the individual health insurance market. Representatives of the program explained to the task force that the current funding structure for the program is not expected to be sustainable after 2012. The board of directors for CoverColorado recently recommended that legislation be introduced to create a schedule of fees for compensating the health care providers that serve CoverColorado patients. Implementing a fee schedule will help control the costs of the program. To facilitate the recommendation of the board, the task force recommends Bill F, which allows the CoverColorado Board of Directors to establish and implement the fee schedule.

Other health insurance issues. The Health Care Task Force discussed other issues related to the regulation of health insurance. As required by House Bill 09-1102, the task force studied the issue of portability of health insurance. Because most people access health insurance through an employer, individuals may lose health insurance coverage when they leave their employment. The task force discussed methods to make health insurance more "portable" when an individual changes employers or becomes unemployed. The task force heard presentations from the National Conference of State Legislatures regarding other states' policies on insurance portability. The committee also heard from advocates regarding possible methods to improve the portability of health insurance.

As a result of its discussions related to health insurance portability and health insurance regulation generally, the task force recommends Bill D. The bill requires the Commissioner of Insurance to adopt rules establishing standard formats for certain health insurance forms provided to customers.

Mental health and substance abuse treatment. The task force heard a variety of presentations related to the need for substance abuse and mental health treatment in the state. A representative of the mental health providers updated the task force on the status of mental health care in the state and described the cuts in funding for mental health services that have been enacted in the past year. With regard to substance abuse, the task force received information on needle exchange programs and a proposed plan in the City of Denver designed to reduce the transmission of infectious diseases by intravenous drug users. In addition, the task force was briefed on the Screening, Brief Intervention, and Referral Program. This program educates health care providers on how to screen and assess patients for drug and alcohol dependency and to refer the patients to treatment, if necessary.

As a result of its discussions regarding mental health and substance abuse treatment needs in the state, the Health Care Task Force recommends two bills. Bill C adds screening, brief intervention, and referral to treatment for alcohol and other substance abuse services to the list of services provided under Medicaid. Bill H requires the Department of Human Services to enter into a contract with a nonprofit entity for the provision of initial triage services through a coordinated and integrated crisis response system for persons experiencing a mental health or substance abuse crisis.

Telemedicine and home health care. The task force discussed issues related to health information technology and home health care. The task force received an update on the efforts of the Colorado Regional Health Information Organization to facilitate the exchange of health information in Colorado. The task force also received information about two programs that use telemedicine to serve clients in their homes and in rural areas of the state. Related to its discussions concerning health information technology, the task force recommends Bill B, which makes telemedicine eligible for reimbursement under the state's Medicaid program in order to comply with direction from the federal Centers for Medicare and Medicaid Services. The bill also makes technical changes related to the payment of telemedicine services.

Federal health care reform. The task force received several briefings on the status of federal health care reform legislation. The Department of Health Care Policy and Financing summarized pending legislation that could affect the state's health care programs, and described its efforts to participate in discussions regarding health care reform. In addition, the National Conference of State Legislatures gave the task force a detailed presentation on the provisions of several federal health care reform bills and described how the legislation could affect Medicaid and the Children's Basic Health Plan, as well as private health insurance plans regulated by the state. The task force considered, but did not recommend, a resolution that would have expressed the state's support for implementation of a single-payer health care plan.

Other health-related issues. The task force discussed a number of other health-related issues. The task force heard presentations from the Department of Health Care Policy and Financing regarding planned improvements in the eligibility determination process for, and the delivery of services in, Medicaid. The task force learned that the department has been awarded a five-year, \$42 million grant from the federal Health Resources and Services Administration to increase access to health care services and improve health outcomes for residents of the state.

The task force heard a presentation from dental providers regarding the need for dental services, and recent efforts to provide dental services to individuals who do not have dental coverage. Related to its discussion on dental issues, the task force recommends Bill G, which requires the Department of Health Care Policy and Financing to contract with a single entity for the administration of dental services provided to Medicaid clients.

The Task Force to Study Home Care Placement Agencies and Home Care Workers Placed through Home Care Placement Agencies presented its recommendations to the Health Care Task Force. The Health Care Task Force considered, but did not recommend, two bills related to home care placement agencies. One bill would have required such agencies to be licensed; another would have regulated individuals who provide in-home care.

The task force also heard a presentation regarding cosmetics and other personal care products that may contain substances that are known or suspected carcinogens. The task force considered, but did not recommend, a bill that would have banned the sale of such products in the state.

Finally, the task force considered a bill that would have allowed local governments to include specific community health elements in their master plans for long-range physical development. The bill was not recommended by the task force.

Task Force Recommendations

As a result of the task force's discussion and deliberation, the task force recommends eight bills for consideration in the 2010 legislative session.

Bill A — A Prohibition Against Consideration of Gender in Setting Rates for Individual Health Insurance Policies. Currently, health insurers may vary the premium charged to an individual who purchases coverage in the individual insurance market based on his or her gender. The bill prohibits insurance carriers from using gender as a basis for varying premium rates for individual health insurance policies and declares premium rates based on gender to be unfairly discriminatory.

Bill B — Home Health Care through Telemedicine. The bill makes telemedicine eligible for reimbursement under the state's Medicaid program in order to comply with direction from the federal Centers for Medicare and Medicaid Services. The bill makes additional changes related to reimbursement payments for telemedicine services.

Bill C — Medicaid Services that are Related to Substance Abuse. This bill adds screening, brief intervention, and referral to treatment for alcohol and other substance abuse services to the list of optional services provided under Medicaid. Screening, brief intervention, and referral services under Medicaid will not take effect until all necessary approvals under federal law and regulation have been obtained to receive federal financial participation for the costs of the services.

Bill D — Standardization of Health Insurance Information Provided to Consumers. The Commissioner of Insurance is required by the bill to adopt rules establishing standard formats for policy forms and explanation of benefit forms provided by health insurance carriers to consumers. The commissioner is required to seek input from the health insurance industry, consumers, and other stakeholders prior to adopting the rules. Carriers must comply with the standard format requirements starting July 1, 2011.

Bill E — Required Maternity Coverage for Individual Health Insurance Policies. Under the bill, health insurance carriers issuing individual sickness and accident insurance policies in Colorado are required to provide the same coverage for maternity care as is currently mandated for all group sickness and accident insurance policies.

Bill F — Measures to Ensure the Financial Viability of the CoverColorado Program. The bill authorizes the board of directors of the CoverColorado program to establish a schedule of fees for compensating health care providers that serve CoverColorado participants. Health care providers are prohibited from billing participants for costs in excess of the applicable fee on the fee schedule for services covered by the program. Additionally, the bill authorizes the board to maintain enrollment in the CoverColorado program consistent with the program's financial resources.

Bill G — Administration of Dental Services Provided Under Medicaid. Pursuant to Bill G, the Department of Health Care Policy and Financing is required to enter into a contract with a single entity for the administration of dental services under Medicaid. Currently, the department administers a contract with a single entity for dental services provided to children through the Children's Basic Health Plan. The contract authorized by Bill G would be distinct from that contract.

The department is not required to enter into a contract for the administration of Medicaid dental services if no suitable proposals are received by the department or if the department determines that contracting for the administration of Medicaid dental services is not cost-effective or efficient for the state, or does not result in the improvement of services provided to clients.

Bill H— Behavioral Health Crisis Response Services. The bill requires the Department of Human Services to enter into a contract with a nonprofit entity to provide initial triage services through a coordinated and integrated crisis response system for persons experiencing mental health or substance abuse crisis. The department may contract for services including, but not limited to:

- a telephone hotline operating 24 hours per day and 7 days per week;
- an integrated information technology system to coordinate crisis response and services;
- and
- community-based crisis centers that provide short-term mental health services to persons in crisis.

The bill specifies requirements for the department in setting contract goals, establishing time frames for the contract, monitoring the contract, and evaluating contractor performance. The bill also requires the department to report annually to the Health and Human Services Committees of the General Assembly concerning the services provided through the contract.

The department is not required to contract for the system if the system is not cost-effective for the state, if the system services are not appropriate to address the needs of persons in crisis, or if the system services may be provided in a different manner.