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## Legislative Issue Brief: Health Care May 2009

Despite the unprecedented economic downturn and a brutal budget shortfall, Colorado was able to maintain some momentum on the road to health reform and to take some very important steps toward expanding coverage to low-income Coloradans. While some bills were passed that diverted from the path toward reform, overall the advances made this year were critical and will hopefully stem the tide of increasing numbers of uninsured.

### Health Care Reform Legislation

This year, two bills were heard that would have addressed overarching health care reform in Colorado. Each bill offered a distinct perspective on the issue and while ultimately were not the solution for Colorado, did help keep the conversation on the right path. **HB1273** *Health Care for Colorado* (Kefalas/Foster) would have advanced a single payer system. Status: deemed lost.

**HB1358** *Create Health Care System for Colorado* (Rice) would have created a three-tiered system in which preventative care (tier one) and catastrophic care (tier three) would have been provided to all through public coverage and everyone would be required to purchase primary care (tier 2) in a reformed private market that would be subsidized for low-income people. Status: postponed indefinitely.

### Health Care Access

Several bills passed this year that will help to expand health care and increase access to underserved and vulnerable populations. **HB1293** *Colorado Healthcare Affordability Act* (Boyd & Keller/Ferrandino & Riesberg) creates a hospital provider fee that will be levied on hospitals generating an estimated \$600 million in revenue. This revenue will be matched by the federal government yielding a total of \$1.2 billion that will help reimburse providers for uncompensated care and will allow Colorado to expand Medicaid to parents and single adults up to 100 percent of the federal poverty level (FPL), to expand CHP+ to children up to 250 percent of FPL, to create a Medicaid buy-in program for the disabled community, and to institute continuous 12 month enrollment. This is a critical effort toward covering the uninsured in Colorado and moving the state closer to reform. Status: signed by Governor.

**HB1353** *Medical Benefits for Legal Immigrants* (Miklosi/Foster) eliminates the five-year waiting period for lawfully present immigrant children and pregnant women to access health care through Medicaid and CHP+. The Children's Health Insurance Program Reauthorization Act signed by President Obama in February 2009, allows states the option of eliminating the five year waiting period and receiving a federal match for covering this population. This is an extremely important bill that allows for coverage for a previously disenfranchised population that was potentially missing out on critical preventive health care. Five years is an unacceptable amount of time for children and pregnant women to wait to receive health care coverage. Colorado covered some pregnant women with state-only dollars, and is now able to draw down federal matching funds. Status: sent to Governor.

**HB1020** *Expedite Medical Program Reenrollment* (Acree/Spence) directs HCPF to establish a process for reenrollment in Medicaid and CHP+ both over the telephone and through the internet. This is an important

streamlining measure and will help toward the meeting enrollment goals that are tied to additional CHIP Reauthorization Act bonus payments. Status: sent to Governor.

**HB1349** *Continue Health Care After Employment* (Fischer/Heath) ensures laid-off workers from employers with less than 20 employees have the opportunity to continue their health insurance coverage and receive the 65 percent premium subsidy provided under American Recovery and Reinvestment Act (ARRA). This change was necessary to fully implement the premium subsidy under the Recovery Act. Status: sent to Governor.

**SB159** *Dependent Health Care Coverage* (Sandoval/McGihon) would have changed the age of an individual for which a carrier is required to offer dependent coverage for an additional premium from 25 to 30. CCLP felt this was an important access issue for young adults, especially in difficult economic times. Unfortunately, this bill failed. Status: Postponed indefinitely.

### **Private Insurance Legislation**

CCLP actively opposed, or worked to amend several pieces of legislation that would change the private individual market in ways that are not constructive or productive for consumers. **HB1012** *Incentives for Wellness and Prevention Programs* (Rice/Newell) allows individual and small group market carriers to offer wellness and prevention programs. CCLP actively worked with partners in the health care community to amend HB1012 due to several concerns about transparency in the design and administration of prevention and wellness programs; accountability of the carriers in the design and administration of the programs; individual privacy; and the potential for health status rating and premium increases. Status: Signed by Governor.

CCLP actively opposed **HB1143** *HMOs Offer Limited Benefit Plans* (Swalm/Schwartz) on the firm conviction that something is indeed **not** better than nothing. HB1143 allows HMOs to offer limited benefit plans in the individual market. CCLP opposes such plans because they cap benefits and coverage at unreasonably low levels giving consumers a false sense of security that they have purchased real insurance. CCLP believes that allowing such products in the market does a great disservice because, while potentially “affordable,” the plans are practically worthless in the event of major illness or injury. Status: Signed by Governor.

CCLP had similar concerns about **HB1252** *Expand Health Access Pilot Program San Luis Valley* (Roberts/Isgar), which creates a pilot program that allows San Luis Valley employers to provide access to health care services for their employees. This is not insurance coverage and is extremely limited in the services it does provide. More critically, it suggests a solution to the health care crisis that is deeply localized and will create serious geographic inequalities. Status: Passed.

**HB1256** *Interstate Purchase Health Insurance* (Acree/Mitchell) would have allowed an insurance carrier regulated in another state to sell individual health coverage plans in Colorado. CCLP has opposed this bill for two legislative sessions. Such plans do not have to meet Colorado standards of coverage, nor would Colorado consumers have legal recourse in any disputes. Status: Postponed indefinitely.

As introduced, **HB1224** *No Gender Individual Health Insurance Rates* (Schafer/Carroll), would have prohibited health insurance carriers from varying the rates of individual health insurance policies based on the gender of the individual insured. As passed, the bill creates an interim task force to examine the issue of gender as it relates to rates and benefits. CCLP did a significant amount of preliminary research around the concept, and awaits with great interest the conclusions reached by the interim task force on health care. Status: Sent to Governor.

### **Budget Bills**

CCLP opposed **SB266** *Noncitizen Eligibility Old Age Pensions* (Tapia/Pommer) which would have resulted in eliminating eligibility for Old Age Pension (OAP) for legal immigrants. A very technical bill, SB266 would have required legal immigrant old age pensioners to count the incomes of their sponsor relatives for purposes of OAP eligibility. This would have had the effect of not only cutting them off of OAP, but also cutting off their medical assistance. The bill ultimately failed because it became clear that this change could jeopardize Colorado’s enhanced matching rate under the federal recovery act—a total of \$880 million. Also, it was

determined that because of the extreme complexities surrounding the intersection of public benefits law and immigration law, further study and discussion would be warranted. Status: Postponed indefinitely.

CCLP supported **HB1342** *Eliminate Cigarette Sales Tax Exemption* (Benefield and Kagan/Boyd and Williams) which eliminates the state sales and use tax exemption for cigarettes. This is an important source of new revenue. Colorado is currently one of only three states with a sales tax that does not apply it to cigarettes and other tobacco products. Status: Sent to Governor.

Of the cuts considered to the health care budget, CCLP lent particular focus to provider rate cuts because of the implications of those cuts for low-income and vulnerable populations, particularly those served by home and community based service providers. Ultimately, a 2% provider rate reduction was included in the budget, which was smaller than the cuts initially proposed.

### **Noteworthy Legislation**

Due to the efforts of a broad coalition of supporters, important fiscal legislation with wide-ranging implications for all parts of the state budget including health care, was passed. **SB228** *Increase General Assembly's Flexibility in Using Revenue* (Morse/Marostica and Court) is not directly a health care bill. However, by repealing the Arveschoug-Bird 6% general fund budget formula, it does provide the opportunity for health care to be on a more level playing field with other state priorities at budget-setting time. Furthermore, by removing the ratchet, it will also allow the state to recover from the recession so that when the ARRA dollars currently going to health care are spent, funding levels for public programs will not have to be adjusted downward to meet the 6% formula. CCLP health staff worked hard to cultivate and organize health care advocates in support of this monumental budget reform legislation. Status: Sent to Governor.

At least two important bills with important implications for vulnerable populations passed this year. **SB244** *Health Insurance Coverage for the Treatment of Autism Spectrum Disorder* (Shaffer / Primavera) will require health insurance companies to cover assessment, diagnosis and medical treatment of Autism. Mandating such coverage is a growing trend in state insurance regulation. Access to treatment yields a demonstrated improvement for 90% of those treated. Status: sent to Governor.

**HB1103** *Presumptive Eligibility Long-term Care* (Reisberg / Newell) allows those in need of long term care to be determined presumptively eligible for medical assistance. This will allow them to access care immediately while awaiting final determination. Status: Signed by Governor.

### **For more information, please contact:**

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