

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0166.01 Christy Chase

SENATE BILL 10-020

SENATE SPONSORSHIP

Boyd, Foster, Schwartz

HOUSE SPONSORSHIP

Massey, Apuan

Senate Committees

Health and Human Services
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ADDRESS THE FINANCIAL VIABILITY OF**
102 **THE COVERCOLORADO PROGRAM.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Health Care Task Force. The bill authorizes the board of directors (board) of the CoverColorado program to establish a schedule of fees for compensating health care providers that render covered health care services to CoverColorado participants. The bill also prohibits health care providers from billing participants for costs in excess of the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 10-8-506 (1) (m), Colorado Revised Statutes, is amended, and the said 10-8-506 (1) is further amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to read:

10-8-506. Board - powers and duties. (1) The board shall be the governing body of the program and shall have all powers necessary to implement the provisions of this part 5. In addition, the board shall have the specific authority to:

(m) Establish procedures for the reasonable advance notice to interested parties of the agenda for meetings of the board; ~~and~~

(o) ESTABLISH ONE OR MORE FEE SCHEDULES, IN ACCORDANCE WITH SECTION 10-8-512.5, SETTING THE AMOUNT THAT ALL MEDICAL, SURGICAL, HOSPITAL, AND OTHER HEALTH CARE SERVICE PROVIDERS WILL BE COMPENSATED BY THE PROGRAM FOR PROVIDING SERVICES COVERED BY THE PROGRAM TO A COVERCOLORADO PARTICIPANT; AND

(p) MAINTAIN ENROLLMENT CONSISTENT WITH AND WITHIN THE AVAILABLE FINANCIAL RESOURCES OF THE PROGRAM, IN ACCORDANCE WITH CRITERIA AND PROCEDURES ESTABLISHED BY THE BOARD AND SUBJECT TO APPLICABLE FEDERAL LAW.

SECTION 2. Part 5 of article 8 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-8-512.5. Fee schedule - compensation of health care

1 **providers.** (1) (a) THE BOARD MAY ESTABLISH ONE OR MORE FEE
2 SCHEDULES SETTING THE AMOUNT THAT THE PROGRAM WILL COMPENSATE
3 ALL MEDICAL, SURGICAL, HOSPITAL, AND OTHER HEALTH CARE SERVICE
4 PROVIDERS WHO PROVIDE SERVICES COVERED BY THE PROGRAM TO A
5 COVERCOLORADO PARTICIPANT. A FEE SCHEDULE ESTABLISHED
6 PURSUANT TO THIS SECTION MAY BE BASED ON VARIOUS REIMBURSEMENT
7 METHODOLOGIES COMMONLY USED IN THE HEALTH INSURANCE INDUSTRY,
8 INCLUDING DISCOUNTED BILLED CHARGES, CASE RATES, THE FEE
9 SCHEDULE ESTABLISHED PURSUANT TO SECTION 8-42-101 (3) (a), C.R.S.,
10 FOR SERVICES PROVIDED BY PHYSICIANS TO INJURED WORKERS UNDER THE
11 "WORKERS' COMPENSATION ACT OF COLORADO", AND MULTIPLES OF
12 MEDICARE REIMBURSEMENT, BUT SHALL BE SET AT AMOUNTS THAT
13 EXCEED THE REIMBURSEMENT GENERALLY PAID TO ANY CATEGORY OF
14 PROVIDER BY MEDICARE AND THE STATE MEDICAL ASSISTANCE PROGRAM
15 ADMINISTERED PURSUANT TO THE "COLORADO MEDICAL ASSISTANCE
16 ACT", ARTICLES 4, 5, AND 6 OF TITLE 25.5, C.R.S. ADDITIONALLY, IN
17 DEVELOPING A FEE SCHEDULE PURSUANT TO THIS SECTION, THE BOARD
18 SHALL CONSIDER AT LEAST THE FOLLOWING FACTORS:

- 19 (I) THE COSTS SAVINGS TO THE PROGRAM;
20 (II) THE EQUITY OF THE FEE SCHEDULE FOR PROVIDERS;
21 (III) THE IMPACT A FEE SCHEDULE MAY HAVE ON THE COST SHIFT
22 TO OTHER PAYERS; AND
23 (IV) THE IMPACT A FEE SCHEDULE MAY HAVE ON ACCESS TO
24 PROVIDERS.

25 (b) IF A FEE SCHEDULE IS ESTABLISHED PURSUANT TO THIS
26 SECTION, THE BOARD SHALL REVIEW THE FEE SCHEDULE ANNUALLY TO
27 DETERMINE WHETHER MODIFICATIONS ARE NEEDED AND SHALL CREATE

1 ONE OR MORE MECHANISMS, SUCH AS AN ADVISORY REIMBURSEMENT
2 COMMITTEE, TO OBTAIN INPUT FROM PROVIDERS REGARDING WHETHER
3 AND WHAT MODIFICATIONS ARE NEEDED.

4 (c) ANY FEE SCHEDULE ESTABLISHED PURSUANT TO THIS SECTION
5 SHALL TAKE EFFECT NO SOONER THAN JANUARY 1, 2011, OR ON SUCH
6 LATER DATE AS DETERMINED BY THE BOARD.

7 (d) IF THE ESTABLISHED FEE SCHEDULE RESULTS IN SAVINGS TO
8 THE PROGRAM, THE BOARD SHALL USE THE SAVINGS TO REDUCE THE
9 AMOUNTS NEEDED FROM PARTICIPANTS, INSURERS, AND THE UNCLAIMED
10 PROPERTY TRUST FUND PURSUANT TO SECTION 10-8-530 (1) FOR THE
11 TOTAL FUNDING FOR THE PROGRAM, AS DEFINED IN SECTION 10-8-530 (1)

12 (e) (I).

13 (2) (a) A HEALTH CARE PROVIDER, HEALTH CARE FACILITY,
14 EMERGENCY SERVICE PROVIDER, OR OTHER PERSON OR ENTITY PROVIDING
15 HEALTH CARE SERVICES TO A PARTICIPANT SHALL NOT CONTRACT WITH,
16 BILL, OR CHARGE A PARTICIPANT OR THE PROGRAM A FEE FOR SERVICES
17 COVERED BY THE PROGRAM THAT IS IN EXCESS OF THE APPLICABLE FEE ON
18 A FEE SCHEDULE ESTABLISHED PURSUANT TO THIS SECTION. ANY BILL OR
19 CHARGE FOR SERVICES COVERED BY THE PROGRAM THAT IS IN EXCESS OF
20 THE APPLICABLE FEE ON THE FEE SCHEDULE SHALL BE UNLAWFUL, VOID,
21 AND UNENFORCEABLE AS A DEBT.

22 (b) NOTHING IN THIS SUBSECTION (2) PRECLUDES A HEALTH CARE
23 PROVIDER, HEALTH CARE FACILITY, EMERGENCY SERVICE PROVIDER, OR
24 OTHER PERSON OR ENTITY PROVIDING HEALTH CARE SERVICES TO A
25 PARTICIPANT FROM BILLING OR CHARGING A PARTICIPANT FOR APPLICABLE
26 COINSURANCE, DEDUCTIBLE, OR COPAYMENT AMOUNTS OR FOR SERVICES
27 NOT COVERED BY THE PROGRAM.

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SECTION 3. 10-8-526, Colorado Revised Statutes, is amended to read:

10-8-526. Expenses covered. Health benefit plans issued pursuant to this part 5 shall cover expenses incurred for health care services or articles or items related to such services or articles that are medically necessary, subject to the cost containment controls authorized by this part 5; except that such coverage shall not extend to costs for such services or articles over and above ~~the reasonable and customary charge in the locality~~ ANY SCHEDULE OF FEES ESTABLISHED PURSUANT TO SECTION 10-8-512.5 and shall not extend to services or articles that are not prescribed by a physician who is licensed to practice in the state or jurisdiction where such services or articles are provided. Such services shall include but not be limited to care for acute illnesses and ongoing care for the treatment of the insured's uninsurable condition. Coverage under a health benefit plan shall be at least comparable to that issued on a group basis in the market.

SECTION 4. Effective date. This act shall take effect July 1, 2010.

SECTION 5. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.