

SB20-127: COMMITTEE ACTUARIAL REVIEW HEALTH CARE PLAN LEGISLATION

Concerning creation of the health benefit plan design change review committee to conduct actuarial reviews of legislation affecting health benefit plan requirements.

Details

Bill Sponsors:	House – <i>none</i> Senate – <i>Smallwood (R) and Todd (D)</i>
Committee:	Senate Health & Human Services
Bill History:	1/27/2020- Introduced
Next Action:	2/13/2020- Senate Health & Human Services Committee
Fiscal Note:	Not available at time of publication.

This Legislation

The General Assembly declares that enacting new laws that address required insurance coverage or management of benefits under a health insurance plan present serious policy concerns. There is a risk of increasing premiums and the cost of health services to consumers. The General Assembly should be prudent and conduct a thorough cost-benefit analysis of any such new requirement before enacting them and requiring compliance by insurance carriers, providers, and consumers.

The bill creates the Health Benefit Plan Design Change Review Committee within the Division of Insurance (DOI). The committee is to consist of nine members:

- Member of Senate Health & Human Services Committee, appointed by Senate President in consultation with Minority Leader
- Member of House Health & Insurance Committee, appointed by the Speaker of the House in consultation with Minority Leader
- Member who represents carriers, appointed by Governor
- Member who represents providers, appointed by Governor
- Member who represents health care consumers, appointed by Governor
- Member who represents hospitals, appointed by Governor
- Member who is a DOI employee, appointed by Governor
- Member who represents Department of Health Care Policy & Financing (HCPF), appointed by Governor
- Member who is an actuary, appointed by Governor

The appointing authorities are to make initial appointments by November 1, 2020. The term of each committee member is five years, except the initial term of the carrier representative is a year, the initial term of the provider representative is two years, the initial term of the consumer representative is three years, and the initial term of the hospital representative is four years. There is no limit to the number of terms a member can serve. Vacancies are filled by the appropriate appointing authority. The Governor appoints a member to act as chairperson. The committee meets as needed for its specified purposes and at the request of the Speaker of the House and Senate President. The non-legislative members of the committee serve without compensation or reimbursement. The legislative members serve without additional compensation but may be reimbursed for expenses.

The DOI is to assist the committee in carrying out its duties. The DOI is to seek input from the committee regarding the fiscal analysis, prepared by Legislative Council staff, of any proposed legislation containing a mandated health insurance benefit. The DOI can seek, accept, and expend gifts, grants, and donations from public and private sources for the committee.

The purpose of the committee is to review introduced legislation that imposes requirements on or amends existing requirements of health plans. At the request of a chair of a committee of reference, the committee is to conduct an actuarial review of the predicted effects of the legislation for the five years following its enactment. These effects include:

- Estimate of the number of Colorado residents who will be directly affected
- Estimates of changes in utilization rates of specific services
- Estimates concerning any changes in consumer cost sharing
- Any financial impact on state employee group benefit plans
- Any financial impact on Medicaid
- Any financial impact on employers with fewer than 100 employees, employers with 100-500 employees and employers with more than 500 employees

This information is to be communicated in dollar amounts, and in the case of premiums, in terms of per-member, per-month.

On and after January 1, 2021, if such legislation is introduced in the House or Senate, the chair of the committee of reference is to request that the committee prepare and submit an actuarial review predicting these effects, within a time period deemed appropriate by the chair.

The Commissioner of Insurance can conduct necessary rulemaking to implement the bill.

The bill is subject to petition.

About this Summary

This summary was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. This summary is not a complete analysis of this policy issue. This summary is accurate to staff knowledge as of date printed. For more information about this summary or the Health District, please contact Alyson Williams, Policy Coordinator, at (970) 224-5209, or e-mail at awilliams@healthdistrict.org.