Health District
OF NORTHERN LARIMER COUNTY

BOARD OF DIRECTORS SPECIAL MEETING

Health District of Northern Larimer County

120 Bristlecone Drive

Fort Collins, CO

Thursday, April 14, 2022

4:00 p.m.

Health District
OF NORTHERN LARIMER COUNTY

AGENDA
BOARD OF DIRECTORS SPECIAL MEETING
April 14, 2022
4:00 pm

4:00 p.m. **Call to Order; Welcome new Executive Director; Introductions; Approval of Agenda……Michael Liggett**

4:10 p.m. **PUBLIC COMMENT**
Note: If you choose to comment, please follow the "Guidelines for Public Comment" provided on the back of the agenda.

4:15 p.m. **DISCUSSION & ACTIONS**

- Policy.....Karen Spink & Lisa Ward
  - The Policy Process at the Health District
  - State Legislative Proposals
    - *HB22-1289: Health Benefits for Colorado Children and Pregnant Persons*
    - *HB22-1122: Pharmacy Benefit Manager Prohibited Practices*
  - Update on Priority Bills
    - *ARPA Funding Bills*
    - *HB22-1064: Prohibit Flavored Tobacco Regulate Synthetic Nicotine*
    - *HB22-1281: Behavioral Health Care Continuum Gap Grant Program*
    - *SB22-147: Behavioral Health Care Services for Children*
  - Brief Overview of Other Relevant Bills
    - *HB22-1326: Fentanyl Accountability and Prevention*
    - *HB22-1329: 2022-2023 Long Bill*

5:05 p.m. **OTHER UPDATES & REPORTS**

- Updates from Leadership ..... Karen Spink and Robert Williams

5:15 p.m. **PUBLIC COMMENT (2nd opportunity)** See Note above.

5:20 p.m. **CONSENT AGENDA**

- Approval of Amendment to Policy 10-01: Financial Accounts Signature Policy
- Approval of Resolutions 2022-03 through 2022-14 updating signature authority

5:25 p.m. **ANNOUNCEMENTS**

- April 26, 4:00 pm – Board of Directors Regular Meeting
- May 24, 4:00 pm – Board of Directors Regular Meeting

5:30 p.m. **ADJOURN**

GUIDELINES FOR PUBLIC COMMENT

The Health District of Northern Larimer County Board welcomes and invites comments from the public. **Public comments or input are taken only during the time on the agenda listed as 'Public Comment.'** If you choose to make comments about any agenda item or about any other topic not on the agenda, please use the following guidelines.

- **Before you begin your comments please:** Identify yourself – spell your name – state your address. Tell us whether you are addressing an agenda item, or another topic.
- **Limit your comments to five (5) minutes.**

MISSION

The Mission of the Health District of Northern Larimer County is to enhance the health of our community.

VISION

- District residents will live long and well.
- Our community will excel in health assessment, access, promotion and policy development.
  - Our practice of **assessment** will enable individuals and organizations to make informed decisions regarding health practices.
  - All Health District residents will have timely **access** to basic health services.
  - Our community will embrace the **promotion** of responsible, healthy lifestyles, detection of treatable disease, and the **prevention** of injury, disability and early death.
  - Citizens and leaders will be engaged in the creation and implementation of ongoing **systems and health policy development** at local, state, and national levels.
  - Like-minded communities across the country will emulate our successes.

STRATEGY

The Health District will take a leadership role to:

- Provide exceptional health services that address unmet needs and opportunities in our community,
- Systematically assess the health of our community, noting areas of highest priority for improvement,
- Facilitate community-wide planning and implementation of comprehensive programs,
- Educate the community and individuals about health issues,
- Use Health District funds and resources to leverage other funds and resources for prioritized projects, and avoid unnecessary duplication of services,
- Promote health policy and system improvements at the local, state and national level,
- Continuously evaluate its programs and services for quality, value, and impact on the health of the community,
- Share our approaches, strategies, and results, and
- Oversee and maintain the agreements between Poudre Valley Health System, University of Colorado Health and the Health District on behalf of the community.

VALUES

- Dignity and respect for all people
- Emphasis on innovation, prevention and education
- Shared responsibility and focused collaborative action to improve health
- Information-driven and evidence-based decision making
- Fiscal responsibility/stewardship
- An informed community makes better decisions concerning health

Health District
OF NORTHERN LARIMER COUNTY

4/14/2022

STAFF: ALYSON WILLIAMS & LISA WARD POLICY ANALYSIS

HB22-1289: HEALTH BENEFITS FOR COLORADO CHILDREN AND PREGNANT PERSONS

Concerning improving access to health benefits for economically insecure Colorado families by enhancing public health programs.

Details

Bill Sponsors:	House – Gonzales-Gutierrez (D) and McCluskie (D) Senate – Moreno (D)
Committee:	House Public & Behavioral Health & Human Services House Appropriations
Bill History:	3/9/2022- Introduced in House 3/25/2022- House Public & Behavioral Health & Human Services Committee Refer Amended to House Appropriations Committee
Next Action:	Hearing In House Appropriations
Fiscal Note:	3/31/2022

Bill Summary

The bill makes a variety of changes related to health insurance coverage for low-income pregnant people and children in low-income families, with a focus on individuals without lawful residency or who cannot currently participate in publicly funded insurance programs.

Issue Summary

Federal Law & State Law: State & Local Public Benefits

Federal law has a variety of restrictions on benefits for undocumented immigrants. This section will focus on restrictions for state and local public benefits. Federal law states that undocumented immigrants are not eligible for any state or local public benefit[1], except in certain circumstances.[2] The exceptions include:

- Health care assistance necessary to treat an emergency medical condition, which means a medical condition (including emergency labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in placing the patient's health in serious jeopardy; serious impairment to bodily functions; or serious dysfunction of any bodily organ or part.[3] It cannot be related to an organ transplant procedure.
- Short-term non-cash, in-kind emergency disaster relief
- Immunization programs
- In-kind community services that protect life or safety (i.e. soup kitchens, crisis counseling, or short-term shelter) and are not conditional on income or resources

Federal law stipulates that lawful presence is not required for state or local public benefits created pursuant to state legislation that affirmatively provides that lawful presence is not required for eligibility. In Colorado, SB21-199 was passed and enacted, which affirmed that "Notwithstanding any law to the contrary and

[1] 8 U.S. Code § 1621

[2] (A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and (B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

[3] 42 U.S. Code § 1396b(v)(3)

pursuant to federal law[4], lawful presence is not a requirement of eligibility for state or local public benefits." The Board of Directors of the Health District of Northern Larimer County strongly supported this bill.

Immigrants in Colorado

According to the New American Economy, a bipartisan research and advocacy organization, there are around 145,000 undocumented immigrants living in Colorado as of 2019.[5] The vast majority of these (89.9%) are of working age. Further, there are an estimated 9,806 undocumented entrepreneurs in the state. In 2019, undocumented immigrants in Colorado paid $140.9 million in state and local taxes as well as $231.7 million in federal taxes.[6] Those individuals and families combined for approximately $2.9 billion in spending power. Please note that these figures may differ from the ones included in the legislative declaration of the bill, as some of their numbers are from different sources or have been rounded.

Health Access for Undocumented Individuals

Among the total nonelderly population in the United States, 45% of undocumented immigrants were uninsured, compared to about 23% of lawfully present immigrants and 8% of citizens, as of 2017.[7] This high rate of uninsurance reflects the limited access to employer sponsored insurance as well as eligibility restrictions that prevent most from accessing Medicaid, Medicare, and the Affordable Care Act (ACA) marketplaces. Some states have state-funded health programs (like Colorado's Reproductive Health Care Program and the Health Insurance Affordability Enterprise) that provide some type of coverage to some groups of immigrants regardless of immigration status.[8] There are also some locally-funded programs that provide coverage or assistance without regard to immigration status. Most undocumented adult individuals are only eligible for Emergency Medicaid.[9] Emergency Medicaid only covers services for a 'life or limb threatening emergency' and labor and delivery for pregnant women. For those pregnant women, it does not cover any prenatal or postnatal care.

"Public charge" is a ground of inadmissibility, which is a reason that a person could be denied a green card, visa, or admission into the United States.[10] In deciding whether to grant some applicants a green card or a visa, an immigration officer must decide whether that person is likely to become dependent on certain government benefits in the future, which would make them a "public charge." Medicaid benefits (with the limited exception of institutionalization for long-term care), Children's Health Insurance Plan, and ACA Marketplace subsidies are not considered in public charge determinations.[11] Additionally, there has been guidance outlining that the use of public assistance for immunization or testing for COVID-19, emergency services, or other state-funded health coverage programs also is not considered.

Children's Health Insurance Program (CHIP): Unborn Child Option

Since 2002, states have had the option to provide prenatal care to women regardless of immigration status by extending CHIP coverage to the unborn child.[8] This option permits states to consider the fetus of the pregnant person without 'lawful status' a "targeted low-income child" for purposes of CHIP coverage, which

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[4] 8 U.S. Code § 1621 (d)

[5] New American Economy (2021). *Colorado.* Retrieved from https://www.newamericaneconomy.org/locations/colorado/

[6] New American Economy (2021). *Colorado.* Retrieved from https://www.newamericaneconomy.org/locations/colorado/

[7] Kaiser Family Foundation (July, 15, 2019). Health Coverage and Care of Undocumented Immigrants. Retrieved from https://www.kff.org/racial-equity-and-health-policy/issue-brief/health-coverage-and-care-of-undocumented-immigrants/

[8] Kaiser Family Foundation [KFF] (July 2021). *Health Coverage of Immigrants.* Retrieved from https://www.kff.org/racial-equity-and-health-policy/fact-sheet/health-coverage-of-immigrants/#:~:text=Undocumented%20immigrants%20are%20not%20eligible,but%20for%20their%20immigration%20status

[9] 10 CCR 2505-10 8.100 section 8.1.00.3.G.1v

[10] U.S. Citizenship and Immigration Services (2022) *Public Charge.* Retrieved from https://www.uscis.gov/public-charge

[11] State Health & Value Strategies (March 2022). *Reshaping the Narrative on Public Charge to Reach Immigrant Populations that Need Affordable Health Insurance.* Retrieved from https://www.shvs.org/wp-content/uploads/2022/03/Reshaping-the-Narrative-on-Public-Charge-to-Reach-Immigrant-Populations-that-Need-Affordable-Health-Insurance.pdf

allows for prenatal care and labor and delivery services.[12] As of January 2022, 18 states have adopted the unborn child option. With the highest income eligibility under this option being in California (332% of FPL), and the lowest income eligibility threshold for residents in the state of South Carolina (138% of FPL).[13] The states with the 'unborn child option' are:

- Arkansas
- California
- Illinois
- Louisiana
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nebraska
- Oklahoma
- Oregon
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Virginia
- Washington
- Wisconsin

Reproductive Health Care Program

The program, as created by SB21-009, expands the Medicaid program to include contraceptives and family planning services for undocumented individuals. The Board of Directors of the Health District of Northern Larimer County supported SB21-009. HCPF has been working on implementing this bill, but there has been a delay. The original timeline for full implementation was January 2022, but is not expected to be fully implemented by July 2022.

Health Insurance Affordability Enterprise & Board

The Health Insurance Affordability Enterprise (created under SB20-215) and its associated Board addresses the affordability of health insurance for those Colorado residents that purchase coverage on the individual market and expands subsidies for those not eligible under the ACA. It is funded by administering a health insurance affordability fee assessed on health insurers and hospitals.

Lactation Supplies

Currently, enrollees in Colorado's Medicaid program may be provided breast pumps in limited cases:[14]

- Manual breast pumps are available purchase for those who deliver premature infants or have infants in critical care.
- Electric breast pumps are only available for purchase for premature infants and infants in critical care, and only if the infant is expected to be hospitalized for 54 days or more.
- Electric breast pump rental is available if the infant is expected to be hospitalized less than 54 days.
- Electric breast pumps require prior approval.

Breast pumps must be prescribed by a physician, physician assistant, or nurse practitioner. Breast pumps must be purchased from an approved supplier. If an enrollee in Colorado's Medicaid program does not qualify, HCPF refers them to Colorado's Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Under individual health plans regulated under the ACA, plans must cover the cost of a breast pump. The health plan may have guidelines on whether the covered pump is manual or electric, the length of the rental,

[12] Georgetown University Center for Children and Families (Nov 2020). Medicaid and CHIP Coverage for Pregnant Women: Federal Requirements, State Options. Retrieved from https://ccf.georgetown.edu/wp-content/uploads/2020/11/Pregnancy-primary-v6.pdf

[13] KFF (Jan. 2022). *Medicaid and CHIP Income Eligibility Limits for Pregnant Women as a Percent of the Federal Poverty Level* .Retrieved from https://www.kff.org/health-reform/state-indicator/medicaid-and-chip-income-eligibility-limits-for-pregnant-women-as-a-percent-of-the-federal-poverty-level/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[14] HCPF (n.d.) Member Frequently Asked Questions. Retrieved from https://hcpf.colorado.gov/member-faqs#Pumps

and when an enrollee can receive it (before or after birth). But, as the informational website healthcare.gov asserts "it's up to you and your doctor to decide what's right for you."[15]

Health eMoms Survey

Health eMoms is a program from the Colorado Department of Public Health and Environment (CDPHE) aims to listen to real experiences from real Colorado moms by inviting 2,400 Colorado women each year to join and share their opinions and experiences during the first few years of their babies' lives.[16] Participants are sent two online surveys on a variety of health and social topics each year, which begin shortly after they give birth and continue up until their child's third birthday. Participants receive electronic gift cards for each completed survey, with chances to win more over the course of their involvement.

This Legislation

Special Enrollment Period

Starting January 1, 2024, a triggering event for a special enrollment period occurs when a person, who doesn't have existing coverage, receives certification from a health care provider (acting within their scope of practice) that the person is pregnant. Coverage is effective as of the first month in which pregnancy certification is received, unless the person opts for coverage to begin the following month. Any person or entity enrolling the person in coverage under this type of special enrollment period must provide notice (to be developed by DORA through a stakeholder process) to the enrollee regarding the option to begin coverage either retrospectively or prospectively and the financial and tax implications of those options. At a minimum the notice must be in both English and Spanish.

Health Insurance Affordability Board

The Health Insurance Affordability Board is to recommend to the Commissioner of Insurance (to establish by rule) parameters for implementing subsidies for state-subsidized individual health plans. These plans must maximize affordability for qualified individual and cover benefits equivalent to a qualified health plan. If someone applying for coverage that qualifies for Emergency Medicaid and is qualified for a state-subsidized plan, coverage should: have no premium; have an actuarial value 94% or above; and (subject to available funding) have reduced cost-sharing reductions equal to the consumer responsibilities under Emergency Medicaid.

Health Survey for Birthing Parents

Starting on July 1, 2022, CDPHE must begin to develop a methodology and build a health survey for birthing parents (currently named Health eMoms), to give people who have given birth the opportunity to share opinions and experiences during the first few years of their babies' lives. The survey results are to inform policies and programs designed to advance health equity. CDPHE is to invite a statewide cohort to join the survey, and annually, up to the child's 3rd birthday, provide each participant at least 2 brief online questionnaires on a variety of topics, including:

- How the participant feels physically and emotionally after having given birth
- The participant's mental health and substance use (before, during, and after pregnancy)
- The participant's opinions on childhood vaccinations and other important health decisions
- The participant's ability to take leave from work
- The participant's ability to feed their baby in their preferred way
- The participant's experiences with doctors and other health care workers during and after pregnancy, including any discrimination

[15] U.S. Department of Health & Human Services (n.d.) *Breastfeeding benefits.* Retrieved from https://www.healthcare.gov/coverage/breast-feeding-benefits/

[16] CDPHE (n.d.) Health eMoms. Retrieved from https://cdphe.colorado.gov/center-for-health-and-environmental-data/survey-research/health-emoms

- The participant's family's access to health care and services, including behavioral health and dental, and other resources necessary for the family to be happy and healthy

The survey must be designed to oversample members of groups that comprise a small percentage of the population and disproportionately experience health inequities, including African Americans and Native Americans. Participant data about race, ethnicity, sexual orientation, and gender identity must be collected and reported in a manner that protects personally identifying information.

Reproductive Health Care Program

The bill updates the definition of an eligible individual for the reproductive health care program under HCPF. An eligible individual now stipulates that an eligible individual is someone who is not eligible for traditional Medicaid solely due to their immigration status and who is not eligible for or declines to enroll in the new state medical assistance program.

State Funded Health and Medical Care

Beginning on January 1, 2024, the state medical assistance program is created within HCPF. This program includes all benefits and services at the same cost to the beneficiary as are offered in the traditional Medicaid program. As much as possible, eligible individuals must not be able to tell that they are enrolled in a different program. A child younger than 19 years old is eligible for the program if they would otherwise be eligible for traditional Medicaid if not due to their immigration status. The child is presumptively eligible for the program and will receive services only if a parent or legal guardian declares all pertinent information relating to income and assets of the child's family. The program must be funded by state funds only, except to the extent federal funds are made available through a federal waiver, state plan amendment, or through another method by the Centers for Medicare and Medicaid Services (CMS). HCPF must seek any federal approvals to maximize any available federal financial participation for the program. To the extent possible, HCPF shall use the same infrastructure and provider network to deliver the program as it does to deliver traditional Medicaid. Starting January 1, 2024, and every year after, HCPF must present on the cost savings and health improvements associated with the program to the Joint Budget Committee (JBC), the Senate Health & Human Services committee, and the House Health & Insurance committee.

State Children's Basic Health Plan

Beginning on January 1, 2024, the state children's basic health plan is created within HCPF. This program includes all benefits and services at the same cost to the beneficiary as are offered in the traditional Children's Health Plan Plus (CHP+) program. As much as possible, eligible individuals must not be able to tell that they are enrolled in a different program. A child younger than 19 years old is eligible for the program if they would otherwise be eligible for traditional CHP+ if not due to their immigration status. The child is presumptively eligible for the program and will receive services only if a parent or legal guardian declares all pertinent information relating to income and assets of the child's family. The program must be funded by state funds only, except to the extent federal funds are made available through a federal waiver, state plan amendment, or through another method by CMS. HCPF must seek any federal approvals to maximize any available federal financial participation for the program. To the extent possible, HCPF shall use the same infrastructure and provider network to deliver the program as it does to deliver traditional CHP+. Starting January 1, 2024, and every year after, HCPF must present on the cost savings and health improvements associated with the program to the Joint Budget Committee (JBC), the Senate Health & Human Services committee, and the House Health & Insurance committee.

Medicaid Statute Language

The bill updates the term 'legal immigrant' to 'lawfully residing' and updates the statute associated with that term.

Federal Waiver Permissions

HCPF must pursue, and if approved, implement a demonstration waiver that authorizes the use of federal Medicaid payments in coordination with the DOI to enhance or expand state-subsidized individual health care coverage and (only if needed to maximize federal financial participation) for Coloradans in the state medical assistance program.

Pregnancy & Medicaid Eligibility

Beginning January 1, 2024, a pregnant person who is not a citizen and is not eligible for traditional Medicaid is eligible under this provision if the person meets the eligibility requirements other than those related to citizenship and immigration status. A person eligible under this provision remains continuously eligible for all medical services under Medicaid for the 12 month postpartum period, so long as they remain eligible for the sixty days following the pregnancy. HCPF must seek any necessary federal approvals to maximize any available federal financial participation in implementing these benefits. Benefits for services must be provided with only state funds if federal financial participation is unavailable. Starting January 1, 2024, and every year after, HCPF must present on the cost savings and health improvements associated with the program to the Joint Budget Committee (JBC), the Senate Health & Human Services committee, and the House Health & Insurance committee.

Medicaid & CHP+ Benefits Related to Lactation

HCPF is required to make comprehensive lactation support services, lactation supplies and equipment (including a single-user double electric breast pump, pump parts and pump collection kit, and, access to a loaned multi-user hospital grade electric breast pump with compatible individual collection kit), and maintenance of multi-user loaned equipment a covered benefit for Medicaid and CHP+ recipients, with access to equipment prior to labor and delivery. Access to multi-user loaned breast pumps shall be authorized by a health care provider and is prioritized for individuals with premature, medically fragile, low birth weight infants, and with lactation complications. Individuals cannot be required to enroll in separate or additional programs in order to receive covered lactation equipment or lactation support services.

Presumptive Medicaid Eligibility

A pregnant person is currently presumptively eligible for Medicaid and must currently declare their immigration status. The language in statute is changed to read that the declaration of immigration status is only needed if necessary to administer reimbursement for services.

A child under the age of 18 is currently presumptively eligible for Medicaid and must currently declare their immigration status. The language in statute is changed to read that children under the age of 19 are presumptively eligible and the declaration of immigration status is only needed if necessary to administer reimbursement for services.

Notification of Federal Immigration Consequences

HCPF must consult with stakeholders, including people with lived experience, immigrants' rights advocates, health care advocates, and immigration lawyers in order to provide clear and accurate information and referrals regarding current public charge policies.

Outreach

HCPF must develop and implement an outreach strategy for Coloradans who become eligible for coverage under this bill. The department must work with stakeholders to develop the strategy which must include:

- Funding for community-based organizations to partner with HCPF for outreach

- A method for providing information related to eligibility and enrollment that can be provided to nonprofit partners, school districts, and charter schools
- At a minimum, providing information related to eligibility and coverage in English, Spanish, and each language spoken by at least 2.5% of the population of any county who speak English less than 'very well' (defined by the U.S. Census Bureau's American Community Survey) and who speak the minority language at home

About 12 and 24 months after the outreach implementation, HCPF must convene stakeholders including directly impacted individuals, service providers, and advocacy organizations (diverse with regard to race, ethnicity, and immigration status, sexual orientation, and gender identity) who are affected by higher rates of health disparities and inequities. HCPF will report on the outreach and enrollment strategy outcomes, including enrollment of eligible persons into these programs compared to those who are eligible but not enrolled.

Pregnancy & CHP+ Eligibility

Beginning January 1, 2024, a pregnant person who is not a citizen and is not eligible for traditional CHP+ is eligible under this provision if the person meets the eligibility requirements other than those related to citizenship and immigration status. A person eligible under this provision remains continuously eligible for the 12 month postpartum period, so long as they remain eligible for the sixty days following the pregnancy. HCPF must seek any necessary federal approvals to maximize any available federal financial participation in implementing these benefits. Starting January 1, 2024, and every year after, HCPF must present on the cost savings and health improvements associated with the program to the Joint Budget Committee (JBC), the Senate Health & Human Services committee, and the House Health & Insurance committee.

Health Services Initiatives

To the extent that federal financial participation is available, HCPF must design and implement health service initiatives to provide funding for continuous enrollment for the 12 month postpartum period for a person who is enrolled in the expanded coverage for Medicaid and CHP+ for pregnant persons created in this bill. To the extent that additional federal financial participation is available, HCPF is to establish a stakeholder process in collaboration with HCPF staff to determine additional priorities and budget allocations that draw down at least 50% of the remaining health services initiative funds to expand access to perinatal and postpartum supports. In conducting this stakeholder process HCPF shall:

- Engage directly with impacted individuals, service providers, and advocacy organizations (diverse with regard to race, ethnicity, and immigration status, sexual orientation, and gender identity) who are affected by higher rates of health disparities and inequities.
- Publicize, conduct, and report outcomes of stakeholder meetings in, at a minimum, English and Spanish.
- Include opportunities for participation in the process outside of regular work hours.
- Take into consideration research and information from reports issued by the Maternal Mortality Review Committee.
- Take into consideration data from the health survey for birthing parents (currently named Health eMoms) to inform stakeholder decision-making.
- Consider initiatives to reduce diaper need, expand access to group-based prenatal and pediatric care models, and expand home visitation programs (including voluntary newborn nurse visitation programs that are universally offered to all families in a given community and provide at least one nurse visit within the first three months of life).

HCPF must seek any necessary federal approvals to obtain federal financial participation and to the extent allowable HCPF must maximize that participation in implementing this section.

Effective Date

The bill is effective upon the Governor's signature or if the Governor allows it to become law without their signature.

Fiscal Note

For state fiscal year (FY) 2022-23, the bill requires an appropriation of $6.0 million to multiple state agencies. Connect for Health Colorado will spend an estimated $104,500 in FY 2022-23 on computer programming to create the special enrollment period for pregnant persons with retroactive start date capability and a noticing requirement. The following chart demonstrates the costs and savings associated with the direct services in the bill.

Table 3
Estimated Service Costs and Savings Under HB 22-1289

Service Costs	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Non-Citizen Pregnant Adult Medicaid	-	$9,085,336	$18,826,021	$19,514,304
Non-Citizen Pregnant Adult CHP+	-	$791,502	$1,608,627	$1,635,438
Non-Citizen Postpartum Adult Medicaid	-	$3,861,195	$7,818,395	$7,919,640
Non-Citizen Postpartum Adult CHP+	-	$246,988	$499,881	$506,095
Non-Citizen Children State-only Medicaid	-	$943,675	$1,952,469	$2,020,865
Non-Citizen Children State-only CHP+	-	$1,085,042	$2,252,860	$2,339,998
Breast Pumps Medicaid	$322,138	$495,256	$620,108	$745,421
Breast Pumps CHP+	$53,040	$73,404	$82,435	$92,771
Lactation Support Services Medicaid	-	-	$104,685	$125,840
Lactation Support Services CHP+	-	-	$13,916	$15,661
Total Service Costs	**$375,178**	**$16,582,398**	**$33,779,397**	**$34,916,034**
General Fund	*$179,633*	*$7,196,794*	*$14,664,972*	*$15,185,862*
Federal Funds	*$195,545*	*$9,385,604*	*$19,114,425*	*$19,730,172*
Service Savings				
EMS Savings from Non-Pregnant Adults	-	($5,046,187)	($20,435,685)	($20,700,316)
Total Service Savings	**$0**	**($5,046,187)**	**($20,435,685)**	**($20,700,316)**
General Fund	-	*($2,523,094)*	*($10,217,843)*	*($10,350,158)*
Federal Funds	-	*($2,523,094)*	*($10,217,842)*	*($10,350,158)*

The fiscal note includes the following statement as a technical note for consideration, "HCPF is unable to meet the January 1, 2024, deadline. Based on current projects the department is implementing and the re-procurement timeline for the [Medicaid Management Information System] MMIS, the department anticipates completing the necessary rule and system changes for the new populations by January 1, 2025, at the earliest. The fiscal note currently shows costs aligning with the bill's deadlines."

Reasons to Support

Some would assert that although individuals may have come to the U.S. without legal status, they have become an integral part of the economic structure of the state and the fabric of our communities, and should be afforded the same opportunities as other Colorado residents. Access to a full range of services is critical to the well-being of individuals, families, and communities. There currently are access barriers due to health coverage and cost, which exacerbate inequities. Many of the conditions that account for a significant share of pregnancy-related mortality and morbidity, such as cardiovascular diseases, hypertension, and depression often require care over a longer-term than 60 days. Providing insurance coverage access through Medicaid and CHP+ to postpartum persons with low-incomes for a longer period also promotes continuity and access to preventive services such as contraception, intrapartum care, and behavioral health screening. Ensuring coverage to 12 months postpartum will ensure that even more postpartum Coloradans have access to health care during a formative time for both parent and infant.

Supporters

Health District
OF NORTHERN LARIMER COUNTY

4/14/2022

STAFF: ALYSON WILLIAMS & LISA WARD POLICY ANALYSIS

- American Lung Association
- Boulder County
- Children's Hospital Colorado
- Colorado Academy of Family Physicians
- Colorado Access
- Colorado Association for School-Based Health Care
- Colorado Children's Campaign
- Colorado Center on Law & Policy
- Colorado Community Health Network
- Colorado Cross-Disability Coalition
- Colorado Hospital Association
- Colorado Immigrant Rights Coalition
- Colorado Teen Parent Collaborative
- Counties & Commissioners Acting Together (CCAT)
- FWD.us
- League of Women Voters
- Mental Health Colorado
- Rose Community Foundation
- Stand for Children
- The Arc of Colorado
- United States of Care
- Voices Unidas

Reasons to Oppose

Some may assert that individuals without documentation should not be allowed to access publicly-funded services. Others may assert that this is an issue that is better addressed at the federal level. Although such a program is likely to save the state money over time, the requirement of funds for an initial investment in such an uncertain budget time may mean that other priorities do not receive full funding.

Opponents

- Any opposition has not been made public at this time.

Amending Position

- Colorado Association of Health Plans

About this Analysis

This analysis 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 analysis is accurate to staff knowledge as of date printed. For more information about this analysis or the Health District, please contact Lisa Ward, Policy Coordinator, at (970) 224-5209, or e-mail at lward@healthdistrict.org

Health District
OF NORTHERN LARIMER COUNTY

Memo

To: Board of Directors, Health District of Northern Larimer County

From: Lisa Ward, Policy Coordinator

Date: April 7, 2022

Re: Staff Recommendation for HB22-1289: Health Benefits For Colorado Children And Pregnant Persons

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The Health District Public Policy Strategy Team recommends the Board of Directors support HB22-1289.

Health District
OF NORTHERN LARIMER COUNTY

4/14/2022

STAFF: ALYSON WILLIAMS & LISA WARD POLICY ANALYSIS

HB22-1122: PHARMACY BENEFIT MANAGER PROHIBITED PRACTICES

Concerning prohibiting certain practices by entities obligated to pay for prescription drug benefits.

Details

Bill Sponsors:	House – *Will (R)* and *Lindsay (D),* Lontine (D) Senate – *Jaquez Lewis (D)*
Committee:	House Health & Insurance House Appropriations
Bill History:	1/21/2022- Introduced in House 3/2/2022- House Health & Insurance Committee Discussion/Testimony Only 4/1/2022- House Health & Insurance Refer Amended to House Appropriations
Next Action:	Hearing in House Appropriations
Fiscal Note:	2/25/2022 Version

Bill Summary

The bill requires pharmacy benefit managers to reimburse pharmacies at certain rates, and also creates the 340B Prescription Drug Program Anti-Discrimination Act.

Issue Summary

Prescription Drugs

From 2017 until 2026 prescription drug spending is anticipated to increase 6.3 percent per year.[1] Out-of-pocket costs for patients was $82 billion in 2019, but each patient's exposure to these costs varied dramatically.[2] For example, only 1.1%, or 69 million prescriptions, cost more than $125 for the patient; however, these medicines bring a high burden to patients and can only be offset by coupons or vouchers in commercial plans.[3] Approximately 58% of Americans report that they are currently taking at least one prescription drug while 25 percent take four or more prescription drugs.[3]

Prescription Drugs in Colorado

In 2019, more than 43.7 million prescription drugs were filled at pharmacies in Colorado, resulting in $6.74 billion of retail sales.[4] According to the Colorado Health Institute's (CHI) 2021 Colorado Health Access Survey, 9.7% of Coloradans cite the cost of prescription drugs as reason for not filling the medicines they are prescribed.[5] Of those that cited cost as a barrier 40.0% said it made their condition worse. Coloradans between the ages of 19 and 34 were most likely of all age groups to not to fill a prescription due to cost (15% of 19-34 year olds).

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[1] Cuckler, G.A. et al. (2018). National Health Expenditure Projections, 2017-26: Despite Uncertainty, Fundamentals Primarily Drive Spending Growth. *Health Affairs, 37*(3). DOI: 10.1377/hlthaff.2017.1655

[2] IQVIA Institute for Human Data Science (Aug. 2020). *Medicine Spending and Affordability in the United States: Understanding Patients' Costs for Medicines.* Retrieved from https://www.iqvia.com/insights/the-iqvia-institute/reports/medicine-spending-and-affordability-in-the-us

[3] Henry J Kaiser Family Foundation (2018). *Public opinion on prescription drugs and their prices.* Retrieved from https://www.kff.org/slideshow/public-opinion-on-prescription-drugs-and-their-prices/

[4] Henry J Kaiser Family Foundation (2020). *Health Costs & Budgets Indicators,* Retrieved from https://www.kff.org/state-category/health-costs-budgets/prescription-drugs/

[5] Colorado Health Institute [CHI] (2021). *Colorado Health Access Survey 2021: State of Colorado.* Retrieved from https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/2021%20Colorado%20Health%20Access%20Survey%20Storybook.pdf

In the 2019 Community Health Survey conducted by the Health District of Northern Larimer County, 55.1% of Larimer County residents reported taking or using more than one prescription drug at least once a week. Remaining consistent in comparison to the 2013 and 2016 Community Health Surveys, 9.7% of adult Larimer County residents reported being unable to have a prescription filled because they could not afford it during the preceding two years.[6] This rate is much higher among those who reported being uninsured (22.1%) and those who fell between 186 and 400 percent of the Federal Poverty Level (FPL)[7] (19.1%).

Pharmacy Benefit Managers (PBMs)

Pharmacy benefit managers (PBMs) can represent a variety of different types of health plans (i.e. private carriers, self-insured employers, union health plans, or government purchasers) in both the purchasing and distribution of pharmaceutical products.[8] Additionally, PBMs may design and administer pharmacy benefits for these payers.[9] PBMs can influence what products are utilized and set the rates that pharmacies are reimbursed for their services in the supply chain. Essentially, PBMs are the broker between the payers, drug manufacturers, and pharmacies. Due to the variety of roles PBMs perform, these entities play a central role in the pharmaceutical market.

More than 266 million individuals receive their pharmacy benefits through PBMs.[10] With the volume of the clients they serve, PBMs can leverage those numbers to negotiate rebates and other discounts from manufacturers. Three PBMs, Express Scripts, CVS Health, and OptumRx, control at least two-thirds of the market share in the U.S.[11] Rebates to PBMs from manufacturers have increased in previous years and are estimated to have contributed to lower net prices for drugs and decreased expected drug spending growth in 2017.[12]

Many PBMs are beginning to operate their own mail-order pharmacies. For example, the mail order pharmacies for Express Scripts and CVS make up 20 percent of the market for retail pharmacies in the U.S.[13] These mail-order pharmacies are an opportunity for greater revenue as it can maximize generic pricing spreads and manufacturer rebates.[11] A recent report showed that the PBM gross profit increased from $25 billion to $28 billion between 2017 and 2019.[13]

340B Program

The 340B program was created in 1992 in section 340B of the Public Health Service Act in order to "stretch scarce Federal resources."[14] The purpose of the program was to address a challenge created with the creation of the Medicaid Drug Rebate Program (MDRP), as manufacturers began to cancel discount agreements with safety-net providers so those low prices would not be considered the 'best price' on the market.[15] It covers all outpatient drugs (both retail and nonretail) prescribed by a covered entity, even over the counter drugs, if a prescription was written.

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[6] With a 95% confidence interval ranging from 8% to 11.7%.
[7] The 2018 version of the Federal Poverty Level was utilized in the survey.
[8] Health Affairs (Sept. 2017). *Prescription Drug Pricing: Pharmacy Benefit Managers.* Retrieved from http://www.healthaffairs.org/healthpolicybriefs
[9] Meador, M. (2011). Squeezing the Middleman: Ending Underhanded Dealing in the Pharmacy Benefit Management Industry through Regulation, *Annals of Health Law, 20*(1). Retrieved from https://lawecommons.luc.edu/cgi/viewcontent.cgi?article=1045&context=annals
[10] Pharmaceutical Care Management Association (n.d.). Pharmacy Benefit Managers (PBMs). *The Value of PBMs.* Retrieved from https://www.pcmanet.org/value-of-pbms/#:~:text=PBMs%20administer%20prescription%20drug%20plans,)%2C%20state%20government%20employee%20plans%2C
[11] National Association of Insurance Commissioners (March 2021). Pharmacy Benefit Managers. Retrieved from https://content.naic.org/cipr-topics/pharmacy-benefit-managers
[12] Cuckler, G.A. et al. (2018). National Health Expenditure Projections, 2017-26: Despite Uncertainty, Fundamentals Primarily Drive Spending Growth. *Health Affairs, 37*(3). DOI: 10.1377/hlthaff.2017.1655
[13] PBM Accountability Project (2021) *Understanding the Evolving Business Models and Revenue of Pharmacy Benefit Managers* Retrieved from https://b11210f4-9a71-4e4c-a08f-cf43a83bc1df.usrfiles.com/ugd/b11210_264612f6b98e47b3a8502054f66bb2a1.pdf
[14] Wynne, B. (May 6, 2014). The Coming Storm over the 340B Rx Drug Discount Program. *Health Affairs Blog*. DOI: 10.1377/hblog20140506.038925
[15] Health Affairs (Sept. 2017). *Prescription Drug Pricing: The 340B Drug Discount Program.* Retrieved from http://www.healthaffairs.org/healthpolicybriefs

Covered Entity. For an entity to participate in the program, they must meet eligibility requirements and register with the Health Resources and Services Administration (HRSA).[16] Before the ACA, the eligibility requirements were narrower and the entities that qualified for participation included non-profit hospitals that serve a disproportionately high number of Medicare beneficiaries, HIV clinics, and federally qualified health centers (FQHCs).[17] After the ACA, the definition of qualified entities was expanded to include children's hospitals, freestanding cancer clinics, critical access hospitals, and others. Currently the law includes sixteen eligible groups.[18]

Manufacturers. To get drug manufacturers to participate in the program the law requires contracts with 340B entities in order for the manufacturer to offer drugs in the Medicaid program.[19] The manufacturers are required to sell their drug products at a level no more than the net price paid by Medicaid (after rebates); additionally, manufacturers are allowed to sell at even lower prices without triggering 'best price.'[20]

Contract Pharmacies. Beginning in 1996, the 340B program allowed covered entities without an in-house pharmacy to contract with an outside pharmacy to distribute self-administered 340B drugs to patients. [21] This was expanded in 2010 under the ACA, when covered entities were allowed to contract with an unlimited number of pharmacies. Thus, the total number of locations increased by nearly 150% after the policy change. Large retail pharmacy chains (i.e. Walgreens, CVS, Rite-Aid, and Walmart) are disproportionately represented among contract pharmacies and together accounted for just over 60% of locations in 2020.

Qualified Patients. The patients that qualify for 340B discounts are those who reasonably qualify as a patient of an existing participating provider.[22] Typically, patients are receiving 340B discounts as only one aspect of their overall qualified care.

The Numbers. Between 2000 and 2020, the number of covered entity sites participating in the 340B program increased from 8,100 to 50,000.[21] In 2020, 60% of the sites were hospitals. The federal government estimates that the savings for covered entities in 2016 was approximately $6 billion, assuming a discount of 25-50 percent.[23] The following figure illustrates the growth in total estimated discounted purchases.[21]

Figure 4: Total Discounted 340B Purchases, 2005–2020

Sources: Drug Channels Institute (2016, 2020). https://www.drugchannels.net/2016/07/reality-check-340b-is-4-not-2-of-us.html; https://www.drugchannels.net/2020/06/new-hrsa-data-340b-program-reached-299.html

[16] U.S. Government Accountability Office [GAO] (May 2018). *Drug Discount Program: Status of Agency Efforts to improve 340B Program Oversight.* GAO-18-556T. Retrieved from https://www.gao.gov/assets/700/691742.pdf

[17] Wynne, B. The Coming Storm over the 340B Rx Drug Discount Program. *Health Affairs Blog*.

[18] These groups include: FQHCs, various disease specific programs (AIDS drug assistance, black lung clinics, and hemophilia treatment centers), and publicly owned hospitals with a disproportionate-share hospital percentage of at least 11.75%.

[19] Wynne, B. The Coming Storm over the 340B Rx Drug Discount Program.

[20] Health Affairs. *Prescription Drug Pricing: The 340B Drug Discount Program.*

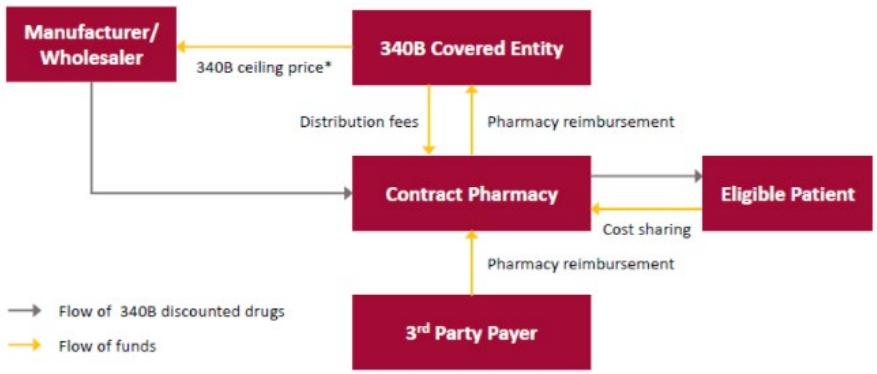
[21] Mulligan, K (Oct. 2021) *The 340B Drug Pricing Program: Background, Ongoing Challenges and Recent Developments.* USC Leonard D. Schaeffer Center for Health Policy & Economics. Retrieved from https://healthpolicy.usc.edu/research/the-340b-drug-pricing-program-background-ongoing-challenges-and-recent-developments/

[22] Wynne, B. The Coming Storm over the 340B Rx Drug Discount Program.

[23] Actual 340B prices are not publicly available as they are closely related to Medicaid best prices and there is a legal prohibition against sharing Medicaid rebate calculations publicly.

340B Supply Chain. The following graphic of the prescription drug supply chain illustrates the flow of payments and products through the system created under the 340B program.[21]

Figure 2. 340B Flow of Funds/Drugs



*Notes: Adapted from Drug Channels Institute. Flow of funds has been simplified to capture the primary elements of the 340B flow of funds. A more detailed version is available from the Drug Channels Institute: https://www.drugchannels.net/2019/08/heres-how-pbms-and-specialty-pharmacies.html. *The 340B ceiling price is the maximum a covered entity should pay for 340B discounted drugs, but covered entities can negotiate prices below the ceiling price.*

Types of Prices for Prescription Drugs

National Average Drug Acquisition Cost (NADAC). This is created from a nationwide (optional) survey of prices that pharmacies paid for a retail drug from a manufacturer or wholesaler, including the discounts received by the pharmacy at the drug's acquisition. [24] This information comes from invoices and is provided weekly to CMS by an outside contractor. The NADAC data is posted weekly by CMS.

Wholesale Acquisition Cost (WAC). Also known as list price, the WAC is similar to a suggested retail price created by the manufacturers for wholesalers or direct purchasers and is only occasionally relevant to the pricing of both generic and brand-name drugs.[25] Thus, the WAC is not based on any actual sales of a drug. It is defined in federal Medicaid statute as "the manufacturer's list price for the drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price."[26] The WAC serves as a basis for negotiations between entities in the supply chain.

This Legislation

Contracts between PBMs and Pharmacies

For contracts between PBMs and pharmacies that are entered into or renewed after January 1, 2023, the PBM must not reimburse a pharmacy for a prescription drug in an amount less than:

- The NADAC for the drug at the time it is administered/dispensed, plus a dispensing fee.
- If the NADAC is not available at that time, the WAC of the drug, plus a dispensing fee.

COLORADO 340B PRESCRIPTION DRUG PROGRAM ANTI-DISCRIMINATION ACT

Definitions

"340B covered entity" A covered entity, as defined in the federal "Public Health Service Act."[27]

[24] Pew Charitable Trusts (Sept. 20, 2017). *Drug Spending Glossary.* Retrieved from http://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2017/09/drug-spending-glossary

[25] Meador, M. Squeezing the Middleman: Ending Underhanded Dealing in the Pharmacy Benefit Management Industry through Regulation.

[26] 42 USC § 1395w-3a(c)(6)(B)

[27] 42 U.S.C. SEC. 256b (a)(4)

"340B drug" A drug purchased through the 340B drug pricing program by a 340B covered entity.
"340B drug pricing program" or ***"340B program"*** means the program described in the federal "Public Health Service Act."[28]
"Contract pharmacy" A pharmacy operating under contract with a 340B covered entity to provide dispensing services to the covered entity.[29]
"Drug coverage" Coverage or payment for a prescription drug dispensed by a pharmacy to a patient pursuant to:

- A health coverage plan.
- A managed care organization.
- Any other contractual or other legal obligation to provide coverage or payment for a prescription drug dispensed by a pharmacy to a patient.

It does not include:

- Reimbursement for covered outpatient drugs on a fee-for-service basis under the Medicaid program.
- Any amounts paid by an individual on the individual's own behalf or on behalf of another individual without a contractual or legal obligation to do so.

"Third Party" Includes:

- A carrier or PBM that provides or manages drug coverage under a health coverage plan.
- A system of health insurance for state or local government employees, their dependents, and retirees.[30]

It does not include:

- An insurer that provides coverage under a policy of property and casualty insurance.
- An insurer or entity that provides health coverage, benefits, or coverage of prescription drugs as part of coverage required under state and federal workers' compensation laws.

Applicability

This Act applies to any third party that reimburses 340B covered entities or contract pharmacies in Colorado. Nothing in this Act prohibits a third party from maintaining differential reimbursement rates for participating and nonparticipating providers. Additionally, nothing affects a third party's ability to establish coverage guidelines and exclude specific drugs from its prescription drug formularies. It does not require a third party to contract with a 340B covered entity or contract pharmacy for network participation. All of these activities can continue to occur, so long as the rates, guidelines, exclusions, and contracting decisions are not determined on the basis of a provider's status as a 340B covered entity or contract pharmacy or of a drug's status as a 340B drug.

Prohibition on 340B Discrimination

A third party that reimburses a 340B covered entity or contract pharmacy for 340b drugs are prohibited from:

- Reimbursing the covered entity or contract pharmacy for a pharmacy-dispensed drug at a rate lower than the amount paid for the same drug to pharmacies similar in prescription volume that are not covered entities or contract pharmacies.
- Assessing any fee, charge back, or other adjustments against the covered entity or contract pharmacy on the basis that the entity/pharmacy participates in the 340B program.
- Restricting access to the third party's pharmacy network for any covered entity or contract pharmacy on the basis that the entity/pharmacy participates in the 340B program.

[28] 42 U.S.C. SEC. 256b (a)(4)
[29] Guidance in 75 Fed. Reg. 10272 (2010)
[30] This includes plans provided for employees of the state personnel system and retirees of state and local governmental bodies that participate in the health care trust fund (i.e. PERA).

- Requiring the covered entity or contract pharmacy to enter into a contract with a specific pharmacy or health coverage plan to participate in the third party's pharmacy network.
- Creating a restriction or an additional charge on a patient who chooses to receive drugs from a covered entity or contract pharmacy.
- Restricting the methods by which a covered entity or contract pharmacy may dispense or deliver 340B drugs.
- Refusing to provide reimbursement or coverage for 340B drugs OR;
- Creating any additional requirements or restrictions on a 340B covered entity or contract pharmacy.

Unless a claim is for payment (directly or indirectly) by the Medicaid program, a PBM or another third party that reimburses a covered entity or contract pharmacy for 340B drugs is prohibited from requiring a claim for a 340B drug to include either a modifier to indicate that the drug is a 340B drug; or any other method of identifying the claim for a 340B drug. With respect to a patient eligible to receive 340B drugs, a PBM or another third party that makes payment for the drugs shall not discriminate against a covered entity or contract pharmacy in a manner that prevents or interferes with the patient's choice to receive the drugs from the entity/pharmacy.

Enforcement

A violation of the Act by a third party is defined as an unfair method of competition and unfair or deceptive act or practice in the business of insurance. The action by the third party that violates the Act is void and unenforceable. The Commissioner of Insurance may adopt rules, as necessary to implement the Act.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly, assuming no referendum petition is filed.

Fiscal Note

The bill increases state expenditures in the DOI in Department of Regulatory Agencies by $23,273 in state fiscal year (SFY) 2022-23, and $27,327 in SFY2023-24. The bill may result in increased costs for prescription drugs leading to higher insurance premiums, which will be shared by state agencies and employees after the first plan year. Similar to state employee insurance, to the extent that the costs increase for local government insurance plans, cost increases will be shared by local governments and employees.

Reasons to Support

The 340B program was not intended to be financially beneficial for insurance carriers and PBM's. These discriminatory actions by carriers and PBMs can undermine the purpose of the program. Actions by carriers and PBMs may disrupt patient care and drug cost savings intended for patients. Current reimbursement strategies by carriers and PBMs make it more difficult for safety net providers to extend services to more people or offer more comprehensive care as those funds are going to cover the spread between what they are reimbursed and what they paid for drugs.

Supporters

- AARP
- Colorado Center on Law & Policy
- Colorado Community Health Network
- Colorado Pharmacists Society
- National Federation of Independent Business
- RxPlus Pharmacies
- SCL Health
- Vivent Health

Reasons to Oppose

As the 340B program is a program with federal oversight. Some may assert that this is an issue that is better addressed at the federal level.

Opponents

- Astellas Pharma
- Cigna
- Colorado Competitive Council
- Novartis
- Pharmaceutical Care Management Association

Amending Position

- America's Health Insurance Plans
- Anthem Blue Cross Blue Shield
- Biotechnology Innovation Organization
- Colorado Bioscience Association
- Colorado Chamber of Commerce
- Denver Health
- Eli Lilly
- Horizon Therapeutics
- Kaiser Foundation Health Plan
- Kaiser Permanente
- Pinnacol Assurance
- Pharmaceutical Manufacturers of America
- Sanofi

About this Analysis

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Health District
OF NORTHERN LARIMER COUNTY

Memo

To: Board of Directors, Health District of Northern Larimer County

From: Lisa Ward, Policy Coordinator

Date: April 7, 2022

Re: Staff Recommendation for HB22-1122: Pharmacy Benefit Manager Prohibited Practices

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The Health District Public Policy Strategy Team recommends the Board of Directors support HB22-1122.

Health District
OF NORTHERN LARIMER COUNTY

2010-01: FINANCIAL ACCOUNTS SIGNATURE POLICY

[Amended September 28, 2021)]

Presented for Approval: ~~September 28, 2021~~April 14, 2022

Purpose of Policy

In order to maintain internal control on the financial accounts for the Health District of Northern Larimer County while still allowing for a reasonable flow of business, the following designations and restrictions on signatures shall apply:

1) Designated officials for expenditures (excluding funds transfers):

- **Expenditures of Up to $25,000**: require **one** of the following signatures
- **Expenditures of Over $25,000**: require **two** of the following signatures (officials with an asterisk "*" must be one of the signatures)
    - *Executive Director
    - Finance Director (limit: $15,000)
    - Board President
    - Board Secretary
    - *Board Treasurer

Generally the signatures of the Finance Director and/or Executive Director will be used.

2) Fund Transfers by Phone, ONLY to Health District Accounts

The following individuals are authorized to contact banks and investment firms to transfer funds, but only between Health District accounts. There is no limit on the amount of funds that can be transferred between Health District accounts. Expenditures from those accounts are limited by the policies above. Funds transfer report forms will be kept and filed with bank statements

- Finance Director
- Executive Director
- Board Treasurer
- Board Secretary

3) Automated Clearing House (ACH) transactions

The following individuals are authorized to initiate Automated Clearing House (ACH) transactions through the First National Bank Cash Management System for:

- Vendor payments for goods and services (excluding employee benefit premiums and insurance premiums). Individual vendor invoices for payment must include authorized signature(s) in accordance with Policy 21-01: Contract Signature Policy. (Invoices over $25,000 require two signatures). No dollar amount limit).

- Payments of employee benefit premiums and insurance premiums (No dollar amount limit).

~~Carol A. Plock~~Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

4) Wire Transfers

Most fund transfers will take place only between District accounts. In rare occasions, a wire transfer may be necessary from the District checking account. Should such a wire transfer be necessary, the following procedure will apply:

a) Individuals authorized to initiate wire transfers include:
   - Finance Director
   - Executive Director
   - Board Secretary
   - Board Treasurer

b) Wire transfer authorization must be performed in person at the bank by **two** of the individuals listed above, which must include one staff member and one board member.

c) Wire transfer report forms will be kept and filed with bank statements.

ADOPTED, this 14~~28~~th day of April~~September~~, A.D., 2022~~1~~.

Attest:

_____
Michael D. Liggett, President

_____
Molly J. Gutilla, Vice President

_____
Johanna Ulloa Giron, Secretary

_____
Joseph W. Prows, Treasurer

_____
Celeste Kling,
UCHealth North/PVHS Board Liaison

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR ACCESS TO SAFE DEPOSIT BOXES 2219 AND 5542

Resolution 2022-03

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any two of the following signators are approved to have access to the Health District's Safety Deposit Boxes 2219 and 5542 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

Approved for Signatures

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director
Anita K. Benavidez, Assistant to the Executive Director and the Board of Directors

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____
Michael D. Liggett, President

_____
Molly J. Gutilla, Vice President

_____
Johanna Ulloa Giron, Secretary

_____
Joseph W. Prows, MD, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution:
2010-10 Adopted July 21, 2010
2014-10 Adopted May 21, 2014
2016-14 Adopted July 21, 2016
2018-12 Adopted September 25, 2018
2019-03 Adopted March 28, 2019
2022-03 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR ACCESS TO SAFE DEPOSIT BOX 4919

Resolution 2022-04

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved to have access to the Health District's Safety Deposit Box 4919 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

Approved for Signatures

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director
Anita K. Benavidez, Assistant to Executive Director and Board of Directors

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

Michael D. Liggett, President	Molly J. Gutilla, Vice President
Johanna Ulloa-Giron, Secretary	Joseph W. Prows, MD, Treasurer

Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution:
2012-5 Adopted September 6, 2012
2014-11 Adopted May 21, 2014
2016-15 Adopted July 21, 2016
2018-13 Adopted Sept. 25, 2018
2019-04 Adopted March 28, 2019
2022-04 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR ACCESS TO SAFE DEPOSIT BOX 5546

Resolution 2022-05

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved to have access to the Health District's Safety Deposit Box 5546 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

Approved for Signatures

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams , Executive Director
Laura B. Mai, Finance Director
Anita K. Benavidez, Assistant to Executive Director and Board of Directors

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____ _____
Michael D. Liggett, President Molly J. Gutilla, Vice President

_____ _____
Johanna Ulloa Giron, Secretary Joseph W. Prows, MD, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution:
2018-14 Adopted Sept. 25, 2018
2019-04 Adopted March 28, 2019
2022-05 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR ACCESS TO SAFE DEPOSIT BOX 5742

Resolution 2022-06

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved to have access to the Health District's Safety Deposit Box 5742 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

Approved for Signatures

Robert B. Williams, Executive Director
Laura B. Mai, Finance Director
Anita K. Benavidez, Assistant to Executive Director and Board of Directors
Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____
Michael D. Liggett, President

_____
Molly J. Gutilla, Vice President

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Johanna Ulloa Giron, Secretary

_____
Joseph W. Prows, MD, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolutions:
2016-18 Adopted on November 15, 2016
2018-15 Adopted on September 25, 2018
2019-06 Adopted on March 28, 2019
2022-06 Adopted on April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR COLOTRUST *PRIME* + FINANCIAL ACCOUNT NUMBER CO-XX-XX27-4001

Resolution 2022-07

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved for signing authorization or making fund transfers from the Health District's Colorado Local Government Liquid Asset Trust (COLOTRUST) financial account Number CO-XX-XX27-4001, but only to account numbers CO-XX-XX27-8001 at COLOTRUST or XXXX934 at First National Bank, 205 West Oak Street, Fort Collins, CO., and only according to the Revised Board Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District's Board on the 28th day of September, 2021.

Approved for Signatures

Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____ _____
Michael D. Liggett, President Molly J. Gutilla, Vice President

_____ _____
Johanna Ulloa Giron, Secretary Joseph W. Prows, MD, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution:
2008-19 Adopted October 21, 2008
2014-13 Adopted July 22, 2014
2016-07 Adopted July 21, 2016
2018-05 Adopted September 25, 2018
2022-07 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR COLOTRUST *PLUS* + FINANCIAL ACCOUNT NUMBER CO-XX-XX27-8001

Resolution 2022-08

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved for signing authorization or making fund transfers from the Health District's Colorado Local Government Liquid Asset Trust (COLOTRUST) financial account Number CO-XX-XX27-8001, but only to account number: CO-XX-XX27-4001at Colorado Trust or XXXX934 at First National Bank, 205 West Oak Street, Fort Collins, CO., and only according to the Revised Board Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District's Board on the 28th day of September, 2021.

Approved for Signatures

Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

Michael D. Liggett, President

Molly J. Gutilla, Vice President

Johanna Ulloa Giron, Secretary

Joseph W. Prows, MD, Treasurer

Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution:
2008-17 Adopted October 21, 2008
2014-15 Adopted July 22, 2014
2016-08 Adopted July 21, 2016
2018-05 Adopted September 25, 2018
2022-08 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR FIRST NATIONAL BANK ACCOUNT NUMBER XXX4934

Resolution 2022-09

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing checks, making fund transfers from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, CO, or signing investment documents in accordance with Health District of Northern Larimer County Investment Guidelines. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

Approved for Check Signatures (two signatures required for checks over $25,000, one signature required for checks $25,000 or less)

Michael D. Liggett, Board President
Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director (limit: $15,000)

Approved to Authorize Fund Transfers ONLY to Health District Accounts

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

Approved to Make Automated Clearing House (ACH) transactions through the First National Bank Cash Management System for:

- Vendor payments for goods and services (excluding employee benefit premiums and insurance premiums). Individual vendor invoices for payment must include authorized signature(s) in accordance with Policy 21-01: Contract Signature Policy. (Invoices over $25,000 require two signatures). No dollar amount limit).
- Payments of employee benefit premiums and insurance premiums (No dollar amount limit).

Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

Approved to Make Wire Transfers (two in-person authorizations required; one must be a Board member, the other a staff member)

Johanna Ulloa Giron, Secretary (Board Member)
Joseph W. Prows, Treasurer (Board Member)
Robert B. Williams, Executive Director (Staff member)
Laura B. Mai, Finance Director (Staff member)

Approved to Sign Investment Documents (two signatures required); requires prior approval by Executive Director or designee.

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____	_____
Michael D. Liggett, President	Molly J. Gutilla, Vice President
_____	_____
Johanna Ulloa Giron, Secretary	Joseph W. Prows, MD, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolutions:

2018-07	Adopted July 21, 2016
2014-05	Adopted May 21, 2014
2010-05	Adopted June 29, 2010
2008-13	Adopted June 24, 2008
2008-4	Adopted
2006-5	Adopted June 27, 2006
2004-8	Adopted February 24, 2004
2002-5	Adopted June 25, 2002
2001-3	Adopted August 28, 2001
2000-16	Adopted October 24, 2000
2000-9	Adopted August 22, 2000
2018-07	Adopted September 25, 2018
2022-09	Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR FIRST NATIONAL BANK ACCOUNT NUMBER XXX6405

Resolution 2022-11

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing checks or making fund transfers from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, CO. This account is to be used solely as a payroll imprest account. All allowable signatures or authorizations must conform to Policy 2010-01: Signature Policy adopted by the Health District on the 28th day of September, 2021.

Approved for Check Signatures (two signatures required for checks over $25,000, one signature required for checks $25,000 or less)

Michael D. Liggett, Board President
Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director (limit: $15,000)

Approved to Authorize Fund Transfers ONLY to Health District Accounts

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____
Michael D. Liggett, President

_____
Molly J. Gutilla, Vice President

_____
Johanna Ulloa Giron, Secretary

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Joseph W. Prows, MD, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution(s):
2000-10 Adopted August 22, 2000
2002-06 Adopted June 25, 2002
2004-07 Adopted February 24, 2004
2006-06 Adopted February 27, 2006
2008-12 Adopted June 24, 2008
2010-06 Adopted June 29, 2010
2014-06 Adopted May 21, 2014
2016-11 Adopted July 21, 2016
2018-09 Adopted September 25, 2018
2022-11 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR FIRST NATIONAL BANK ACCOUNT NUMBER XXXX0218

Resolution 2022-10

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing checks, and making fund transfers to/from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, Colorado. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

Approved for Check Signatures (two signatures required for checks over $25,000, one signature required for checks $25,000 or less)

Michael D. Liggett, Board President
Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director (limit: $15,000)

Approved to Authorize Fund Transfers ONLY to Health District Accounts

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

Approved to Make Automated Clearing House (ACH) transactions through the First National Bank Cash Management System for vendor payments. (Dollar amount limits as specified above).

Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____
Michael D. Liggett, President

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Molly J. Gutilla, Vice President

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Johanna Ulloa Giron, Secretary

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Joseph W. Prows, MD, Treasurer

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Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolutions:
2009-04 Adopted May 6, 2009
2010-08 Adopted June 29, 2010
2014-08 Adopted May 21, 2014
2016-10 Adopted July 21, 2016
2018-08 Adopted September 25, 2018
2022-10 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR FIRST NATIONAL BANK SAVINGS ACCOUNT NUMBER XXXX7351

Resolution 2022-12

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that the following signators are approved for fund transfers to/from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, Colorado. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

Approved to Authorize Fund Transfers ONLY from/to Health District Accounts

Johanna Ulloa Giron, Secretary
Joseph W. Prows, Treasurer
Robert B. Williams, Executive Director
Laura B. Mai, Finance Director

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____
Michael D. Liggett, President

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Molly J. Gutilla, Vice President

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Johanna Ulloa Giron, Secretary

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Joseph W. Prows, MD, Treasurer

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Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolutions:
2009-05 Adopted August 18, 2009
2010-07 Adopted June 29, 2010
2014-07 Adopted May 21, 2014
2016-12 Adopted July 21, 2016
2018-10 Adopted September 25, 2018
2022-12 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR CERTIFICATE OF DEPOSIT ACCOUNTS

Resolution 2022-13

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing authorization to purchase, renew or close Certificates of Deposit at any eligible public depository bank approved by the Colorado Division of Banking in accordance with the Health District of Northern Larimer County Investment Guidelines. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

Approved to purchase or close Certificates of Deposit (two signatures required); requires prior approval by Executive Director or designee. The disbursement of funds from closed Certificates of Deposit must be made through an Automated Clearing House (ACH) transaction only to an authorized Health District bank account or by check made payable to the Health District.

Robert B. Williams, Executive Director
Laura B. Mai, Finance Director
Joseph W. Prows, Treasurer

Approved to renew Certificates of Deposit (one signature required).

Robert B. Williams, Executive Director
Laura B. Mai, Finance Director
Joseph W. Prows, Treasurer

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____
Michael D. Liggett, President

_____
Molly J. Gutilla, Vice President

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Johanna Ulloa Giron, Secretary

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Joseph W. Prows, MD, Treasurer

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Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolutions:
2018-11 Adopted September 25, 2018
2022-13 Adopted April 14, 2022

Health District
OF NORTHERN LARIMER COUNTY

RESOLUTION TO APPROVE SIGNATORS FOR CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SERVICE (CDARS)

Resolution 2022-14

BE IT RESOLVED BY THE Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved for signing authorization to request fund placements with **CDARS** for the purpose of purchasing Certificates of Deposit in amounts not to exceed fifty percent (50%) of Health District funds available for investment purposes in accordance with Health District of Northern Larimer County Investment Guidelines. The amount of funds to be invested through CDARS will be reviewed on at least an annual basis.

Approved to Authorize Fund Placements with CDARS through a Health District account held at a local banking institution participating in the CDARS network:

Robert B. Williams, Executive Director
Laura B. Mai, Finance Director
Joseph W. Prows, Treasurer

ADOPTED, this 14th day of April, A.D., 2022.

Attest:

_____	_____
Michael D. Liggett, President	Molly J. Gutilla, Vice President
_____	_____
Johanna Ulloa Giron, Secretary	Joseph W. Prows, Treasurer

_____
Celeste Kling
UC Health-North/PVHS Board Liaison

Replaces the Following Resolution:
2008-27 Adopted December 18, 2008
2022-14 Adopted April 14, 2022