

# Capitol Comments

## LEGISLATIVE UPDATE



### Colorado

Well folks, [HB19-1089](#) Exemption from Garnishment for Medical Debt was postponed indefinitely. No need to worry about that for the rest of this legislative session.

Now we move on to [HB19-1168](#) Statewide Innovation Waiver Reinsurance Program. For this month's discussion, I'm going to defer to the experts at Colorado Hospital Association, as they are working to alter how the bill funds the reinsurance program. The following information was provided by CHA. If interested in additional information, please reach out to **Amber Burkhart, CHA Public Policy Manager, at 720-330-6028.**

**Background:** The Statewide Innovation Waiver Reinsurance Program will implement a reinsurance program to immediately and dramatically lower the high costs of health insurance across the state – by as much as 35% in some areas. To pay for the program, the Division of Insurance (DOI) will unilaterally cut payments to healthcare providers, including both healthcare facilities and health professionals (i.e., hospitals, doctors, nurses, midwives, physical therapists, medical technicians, etc.). **These cuts will apply to payments made by private insurance companies to providers delivering care to Coloradans with commercial insurance coverage in the individual market.**

While CHA, and rural hospitals and providers in general, support HB19-1168's goal to decrease the high cost of insurance and improve affordability through a reinsurance program, the bill's funding methodology must change.

HB19-1168 as introduced uses government rate setting to fund the reinsurance program. This means the government picks a number to set the rates doctors, nurses, and facilities get paid in order to decrease premiums by 10-35%. This process is arbitrary, rushed, and too much information is unknown. This also has the potential to result in insufficient payment to fund claims if this forecasting is wrong. In the event of this actuarial forecasting being wrong, the DOI could further ratchet down provider payments.

CHA is working with the legislature to create a more sustainable and responsible funding methodology for the reinsurance program. It is a broad-based funding solution that ensures shared responsibility by facilities, carriers, providers and the State. The model improves affordability while eliminating operational challenges and unintended consequences.

As always, please reach out to the legislators and share your opinions on this bill. The prime sponsors of the bill are below with links to their contact information.

[Representative Julie McCluskie](#) (D-61): Delta, Gunnison, Lake, Pitkin, Summit

[Representative Janice Rich](#) (R-55): Mesa

[Senator Kerry Donovan](#) (D-5): Chaffee, Delta, Eagle, Gunnison, Hinsdale, Lake, Pitkin

[Senator Bob Rankin](#) (R-8): Garfield, Grand, Jackson, Moffat, Rio Blanco, Routt, Summit

### Marguerite Tuthill

Network Development Manager, Community Care Alliance

970.986.3677 or [marguerite.tuthill@CommunityCareAlliance.com](mailto:marguerite.tuthill@CommunityCareAlliance.com)



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