

State Legislative Updates

3/14/22



General Session Updates

- Changes in Senate Leadership:
 - President Leroy Garcia resigned to take a DoD appointment
 - Senator Nick Hinrichen appointed via vacancy committee
 - Senator Steve Fenberg is now President
 - Senator Dominick Moreno is now Majority Leader
 - Senator Rachel Zenzinger back on Joint Budget Committee



Requirements for Board to Take Bill Positions

- 1. Connect for Health Colorado will not take a position on legislation unless the legislation will have a direct and significant impact on the continued operation of the Exchange.**
2. If a piece of legislation is anticipated to have a direct and significant impact on the continued operation of the Exchange, the Board may discuss whether a position and/or public testimony is warranted.
3. The CEO has the authority to communicate the potential impacts of the legislation to legislators, even if the board does not take a position on the legislation.
4. If it is determined appropriate for the Board to take a position on a piece of legislation, then the Board Chair, CEO or other Board designee will have the authority to represent the Board as required in working with legislators, administration officials, the Governor, as well as other parties through the legislative process.

Frequent Policy Questions

These were the questions the Board most frequently asked last year:

- What are the financial and operational considerations?
- How does this proposal meet or not meet Connect for Health Colorado's mission and strategic goals?
- What does this mean for rural communities?
- Are we gaining enrollments on Exchange with this bill?

We will do our best to answer these questions as we present bills for your consideration.

SB22-081: As Introduced

Title: Health Exchange Education Campaign Health-care Services

Sponsors: Sen. Smallwood

Summary:

- The bill requires the Board of Connect for Health Colorado to design and implement an outreach and marketing campaign for on-Exchange enrollments, off-Exchange enrollments, the small group market, and Medicaid enrollments
- The campaign must include information about benefit design, out of pocket costs, eligibility, and financial aid.
- The initiative is funded by re-instating a special fee assessed against health insurers.
- The bill also raises the amount of tax credits a health insurer can claim in exchange for donations given to the Exchange from 5 million to 10 million.

Board Position: Amending

SB22-081: Senate State Affairs and Finance Committees

- Kevin Patterson testified 2/17 at Senate State Affairs to communicate the Board's Amending position
- Senator Smallwood brought forward the following amendments:
 - Struck the issuer fee, leaving the increased issuer donation as the funding mechanism
 - Focused the nature of the outreach campaign to our Strategic Goal #3 language: attaining and retaining health coverage for someone's needs and circumstances
 - Focused the Medicaid and CHP+ campaign to end of the Public Health Emergency to help those Coloradans transition to Marketplace coverage, when applicable
- **The bill passed both Senate State Affairs and Senate Finance unanimously.**

SB22-081: Current Iteration

Title: Health Exchange Education Campaign Health-care Services

Sponsors: Sen. Smallwood and Sen. Donovan; Rep. Tipper

Summary:

- The bill requires the Board of Connect for Health Colorado to design and implement an outreach and marketing campaign to educate consumers on how to attain and retain health care coverage based on their needs and financial circumstances
- The campaign must include efforts to improve health literacy, assist consumers who lose minimum essential coverage, and reduce the number of uninsured/eligible but not enrolled Coloradans
- The campaign must include information about eligibility and costs where practicable
- The campaign must assist Medicaid and CHP+ customers make the transition to Marketplace coverage at the end of the Public Health Emergency, where applicable
- The bill is funded by raising the amount of tax credits a health insurer can claim in exchange for donations given to the Exchange from 5 million to 10 million for 5 years

Board Position: Support

FAQ: SB22-081 as it Stands

- **What are the financial and operational considerations?**
 - Aligning this campaign with C4's objective to educate and empower customers to choose the right plan for their unique circumstances, so they can access the health care they need, would leverage C4's strengths and achieve the bill's goal of educating consumers about their options.
 - This will require shifting our internal infrastructure to accommodate a larger marketing and outreach campaign.
- **What does this mean for rural communities?**
 - More marketing and outreach dollars to reach rural eligible but not enrolled populations.
- **Are we gaining enrollments on Exchange with this bill?**
 - More marketing and outreach dollars to reach eligible but not enrolled populations statewide should result in increased enrollment in the correct coverage option for the customer.
- **How does this proposal meet or not meet Connect for Health Colorado's mission and strategic goals?**
 - Our mission is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado. This will expand C4's reach to more prospective customers, especially financial assistance eligible but not enrolled customers, and aligns with Strategic Goal #3 to get customers to attain and retain the right health coverage for their circumstances.

SB22-081 and C4's Strategic Plan

- **Goal #1: Improve access to coverage to increase enrollments in rural areas of Colorado.**
 - More marketing and outreach dollars to reach rural eligible but not enrolled populations.
- **Goal #2: Maximize the number of consumers who shop and enroll through the health insurance marketplace and apply for available financial assistance.**
 - Increase awareness of Exchange options and eligibility for financial assistance.
- **Goal #3: Improve the ability of customers to attain and retain coverage based on their health care needs and circumstances.**
 - Coloradans will be better educated as to their plan choices, out of pocket costs, and eligibility for financial assistance- including individuals transitioning from Medicaid to Marketplace or who may lose employer sponsored coverage.

Next Steps and Questions: SB22- 081

- The bill has been referred to Senate Appropriations.
- If passed, Senator Donovan will be added during Senate floorwork as a co-prime sponsor.
- Rep. Kerry Tipper (D-Lakewood) and Rep. Perry Will (R-New Castle) added as House sponsors.
- Questions?

HB22-1269: Bill for Consideration

- **Title:** Health-care Sharing Plan Reporting Requirements
- **Sponsors:** Rep. Susan Lontine, Sen. Chris Hansen
- **Summary:**
 - Starting October 2022, and all subsequent years, any person/entities/corporations that offers or intends to offer a non-QHP plan or health cost sharing arrangement must annually submit a report to the Division of Insurance with the following information:
 - # of participants in plan
 - Total amount of \$ collected from participants and the % of fees, dues, and other payments that the entity retained
 - Total amount of \$ paid to providers or to reimburse for health-care services received
 - Estimated # of participants expected in the next year
 - The counties where the entity offers or intends to offer said plan
 - Other states where the entity offers or intends to offer said plan
 - A list of third parties associated with, offering, or enrolling participants in a plan and a detailed accounting of commissions paid to a third party for services provided in promoted or administering the plan
 - Entity's reserve balance
 - Contact information for an individual serving as the entity's contact person in this state, a list of the entity's officers and directors, and the person's organizational chart
 - Commissioner to compile a report of information, make it available on website, and can issue a cease-and-desist order for noncompliance.

FAQ: HB22-1269

- **What are the financial and operational considerations?**

- This legislation does not require C4 technology resources to implement.
- Increasing transparency benefits our Training, Customer Service Center, and Broker/Assistance Network teams that respond to the customer confusion created by non-QHPs (qualified health plan) sold by cost sharing arrangements.
- On occasion, C4 has devoted resources to opening Special Enrollment Periods to enrollees in non-QHP arrangements when a non-QHP entity goes out of business or is issued a cease and desist by the Division of Insurance.
- Having access to information about where these entities operate, how many people are affected, and their financials, will better prepare C4 for offering these SEPs.

- **What does this mean for rural communities?**

- Currently, there is not much data about where these cost sharing arrangements/entities operate. This legislation aims to fix that.

- **Are we gaining enrollments on Exchange with this bill?**

- Knowing how many entities and where they operate will enable us to better target eligible but not enrolled populations and prospective customers.
- Having a sense of the true costs and benefits of these arrangements will better inform brokers and assisters of how to talk about QHPs and non-QHPs with customers.

- **How does this proposal meet or not meet Connect for Health Colorado's mission and strategic goals?**

- Our mission is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado. The lack of transparency around cost sharing arrangements creates confusion and results in prospective C4 customers buying non-ACA compliant plans. Therefore, increasing transparency around these entities better informs Coloradans about the affordability of these arrangements, and increases education about true health insurance options.

HB22-1269 and C4's Strategic Plan

- **Goal #1: Improve access to coverage to increase enrollments in rural areas of Colorado.**
 - Currently, there is not much data about where these cost sharing arrangements/entities operate or how many Coloradans are affected. This legislation aims to fix that.
- **Goal #2: Maximize the number of consumers who shop and enroll through the health insurance marketplace and apply for available financial assistance.**
 - Increasing transparency for non-QHP (qualified health plan) products better enables Coloradans and assisters and brokers to compare the benefits of non-QHPs with QHPs. Transparency data can also help target marketing and outreach to areas with the highest non-QHP utilization.
- **Goal #3: Improve the ability of customers to attain and retain coverage based on their health care needs and circumstances.**
 - Coloradans and enrollment specialists will be better educated as to what benefits a non-QHP truly offers, which should drive interest in QHPs on Exchange.

Staff Recommendation

Position: Support

The lack of transparency around cost sharing arrangements creates customer confusion and results in prospective C4 customers buying non-ACA compliant plans. Increasing transparency around these entities better informs Coloradans about these arrangements and increases education and awareness about QHPs.