

# Colorado Center on Law and Policy

## Health Law and Policy Update: February 28, 2014

### **Open enrollment continues...but time is running out.**

Individuals and small businesses can now shop for health insurance through [Connect for Health Colorado](#), Colorado's new health insurance marketplace. Sign up before March 31st to get covered.

This week's updates:

- [Hospital financial assistance bill passes first committee](#)
- [CCLP testifies as bill to regulate free standing emergency rooms advances](#)
- [CCLP testifies on exchange repeal bill](#)
- [Health care advocates take to the Capitol](#)

### **Hospital financial assistance bill passes first committee**

On Thursday February 27, the Senate Health and Human Services Committee approved Senate bill 50, a bill that would ensure that low-income Coloradans can responsibly pay their hospital bills. CCLP has worked with the sponsors and the hospitals to develop this legislation and testified in support.

Senate Bill 50 would create uniform standards and compliance mechanisms to ensure that low-income, uninsured patients don't pay unreasonable bills for hospital visits. The bill would create a committee of hospitals, consumers, and policymakers to develop and recommend standards for the uniform implementation of the required financial assistance policies outlined in current law.

CCLP was a driving force behind the passage of a 2012 law setting minimum requirements for hospital financial assistance policies for low-income uninsured patients. The new standards created by Senate Bill 50 will ensure patients are adequately informed about the availability of financial assistance, bringing clarity to the often opaque world of health care pricing.

The bill now moves to the Senate appropriations committee for approval.

### **CCLP testifies as bill to regulate freestanding emergency rooms advances**

On Thursday February 27, CCLP testified in support of Senate Bill 16, a bill that would protect consumers by leveling the playing field for all emergency rooms in Colorado. The Senate Health and Human Services Committee approved the bill shortly after CCLP's testimony.

This legislation would require independent, freestanding emergency rooms to operate under the same rules as traditional emergency rooms and prevent these facilities from charging patients and their insurers excessively high prices. At independent, freestanding ERs, some patients, especially those with Medicaid or without insurance, may not be able to receive care that a traditional emergency room would provide.

Emergency room care is often utilized in non-urgent situations, driving up costs for all consumers. In 2010, nearly 40 percent of ER patients did not require urgent or immediate care and may have been more appropriately treated in a nonemergency room setting. Independent, free standing ERs drive patients with less than urgent conditions to expensive emergency rooms, saddling patients with excessive bills and contributing to the unsustainable growth in health care costs.

Because they label themselves as "emergency rooms," independent, freestanding ERs charge patients a facility fee when they obtain care. Hospitals typically charge a facility fee in addition to the fees for the physician services, drugs, and devices that patients may utilize during a hospital stay. This facility fee helps support the infrastructure that only hospitals have, such as operating rooms and intensive care units. However, independent, freestanding ERs do not have the infrastructure and overhead of a traditional hospital and cannot justify this additional fee.

Existing independent, freestanding ERs are frequently situated in affluent areas and are designed to attract affluent clients with high paying, private health insurance. CCLP was concerned to hear representatives from the First Choice Emergency Room in Colorado Springs discuss negotiations with El Paso County and Colorado Springs that would bring ambulance patients with private insurance to the First Choice Emergency Room, while directing other patients (e.g. Medicare or uninsured patients) to traditional hospitals. Diverting patients to more expensive, out-of-network, free standing ERs drives up costs for consumers while putting additional strains on the finances of safety-net hospitals.

Senate Bill 16 would ensure that all patients, regardless of their ability to pay, can receive the same care at any facility labeled "emergency room." It would put all emergency rooms on a level playing field and integrate independent free standing ERs into Colorado's continuum of care. Passage of this bill will encourage this industry to work with Colorado's health care community to increase access while eliminating high cost, nonemergency use of emergency rooms. CCLP will continue to strongly support this legislation as it moves forward in the legislature.

**CCLP testifies on exchange repeal bill**

CCLP testified this week in opposition to HB14-1192, which would have repealed the Connect for Health Colorado insurance marketplace. The bill, sponsored by Representative Joshi and Senator Lundberg, was another attempt to undermine efforts to implement the Affordable Care Act (ACA) in Colorado. CCLP has and will continue to fervently oppose legislation intended to set back efforts to realize meaningful health care reform in the Colorado.

The Connect for Health Colorado insurance marketplace was established in 2011 with bipartisan support of the Colorado General Assembly as well as the support of Colorado's business, insurance industry, health care provider, and consumer communities. Since its inception, the Connect for Health marketplace has made great strides to increase access to health coverage for uninsured and underinsured Coloradans. As of February 19, approximately 80,000 individuals and over 1,300 small business employees enrolled in commercial health insurance plans through the marketplace. Over 40,000 of those enrolled in coverage qualify for tax credits to reduce the amount of their premiums with the average monthly premium after applying the tax credit being \$106.

Health policy experts widely view Colorado as one of the leading states among those implementing state-based insurance marketplaces. Repealing the insurance marketplace would undermine thousands of hours planning, development and implementation of a solution designed specifically to maximize Coloradans' enrollment in health coverage plans that meet their needs.

### **Health care advocates take to the Capitol**

On Thursday February 27, as part of the Colorado Consumer Health Initiative's annual lobbying day, CCLP took part in "A Health Care Day of Action," joining consumers and patients from across Colorado to advocate for accessible, affordable health care at the state Capitol.

CCLP led small groups in meetings with legislators and their aides during the morning advocacy session. More than 80 individuals from across Colorado took part in the day.

CCLP and other advocates asked lawmakers to support legislation strengthening hospital financial assistance policies and regulating free standing emergency rooms. Both bills passed out of committee later in the afternoon.