

# Colorado Center on Law and Policy

## Health Law and Policy Update: May 9, 2014

This week's update:

- [2014 Legislative Session Concludes](#)
- [Historic numbers have insurance: National polls indicate declined of uninsured](#)

### **2014 Legislative Session Concludes**

The 2014 Colorado Legislative Session concluded on Wednesday. CCLP's Health Program focused its attention this year on two bills:

#### ***SB187 (Sens. Aguilar & Roberts and Reps. Stephens & Schafer): Colorado Commission on Affordable Health Care***

CCLP has been concerned about the affordability of health care for many years and has been working most recently to focus attention on how Colorado might go about reducing healthcare costs. A number of states have begun to tackle the cost issue. We [wrote](#) about those efforts in 2012 and spent 2013 [analyzing](#) Medicare cost data which showed, among other things, that hospitals in the same Colorado communities often charge vastly different rates for the same procedure. Earlier this year, the University of Virginia's Miller Center issued a report recommending that the first step for states interested in reducing healthcare costs is to form cost commissions. That effort was co-chaired by Colorado's own former Governor Bill Ritter. Finally, four of Colorado's mountain communities, Garfield, Pitkin, Summit and Eagle counties, were [reported](#) to have the highest insurance rates in the nation. The time seemed right to move ahead on costs this year, and Senator Aguilar took the lead by deciding that a cost commission was the way to proceed. The business community, health plans, providers and consumers all agreed and ultimately, thanks to the leadership of its bi-partisan sponsors, SB187 passed and will become law upon the Governor's signature.

The Commission will be comprised of twelve voting members and appointments likely will be made soon since the commission will begin meeting in July. Anyone interested should watch for opportunities to apply to serve.

#### ***SB50 Hospital Financial Assistance (Sen. Aguilar/Rep. Moreno)***

CCLP worked with Senator Aguilar during the 2012 legislative session on passage of SB12-134, which required hospitals to provide uninsured patients with information about hospital charity care and established a hospital discount program for uninsured people under 250 percent of the Federal Poverty Level.

Many people who are uninsured wind up with very high hospital bills, since hospitals negotiate rates with insurance companies and government programs but the uninsured typically pay sticker price. SB12-134 required hospitals to charge those eligible for the discount program no more than the lowest rate negotiated with any insurance plan. The resulting law, however, did not include an enforcement mechanism. Therefore, this year, CCLP worked with Senator Aguilar, the Colorado Consumer Health Initiative and the Colorado Hospital Association to establish uniform guidelines for compliance and to ensure that there is a way to enforce compliance when necessary.

***Other health care bills:***

While this was not a particularly contentious legislative session with respect to health policy, early on there were a number of bills designed to roll back or limit the health reform gains made over the previous two sessions. These included efforts for example to prohibit any general fund dollars from ever being used to support the Medicaid expansion and to impose unnecessary, duplicative and onerous requirements on those seeking to become Health Care Navigators through Colorado's Health Benefits Exchange. All of those efforts failed. Among the more contentious bills was SB16, which was designed to regulate freestanding emergency rooms. In the end the bill was substantially pared down, and would only have prohibited freestanding emergency rooms from adding facility fees to their bills. Facility fees are fees charged by hospitals to support the hospital which is attached to or associated with the emergency room. Even then, the bill failed. CCLP supported SB16 because the proliferation of freestanding emergency rooms is confusing for consumers who do not realize that these are not true emergency rooms and because of the high cost to consumers of seeking treatment for what is often not an emergency at these facilities. For more information about an example of a free standing ER moving into Colorado Springs, see this week's [story](#) from KOAA, featuring CCLP Health Program Director, Elisabeth Arenales.

For highlights and information on all the bills CCLP worked on this sessions, please click [here](#).

**Historic numbers have insurance: National polls indicate declined of uninsured**

The New Republic [reported](#) May 5 that Gallup released new polling data which show the number of uninsured adults in the U.S. dropped to 13.4 percent in April 2014. The article pointed out this is the lowest rate of uninsurance since before President Obama took office. The article quotes noted MIT health economist Jonathan Gruber saying: "I think it is impossible to look at this and conclude that

the uninsurance rate isn't declining in the U.S. It's hard to say by how much, but the direction is clear." While polling about insurance coverage is not always accurate, these data support the notion that the ACA's coverage options through insurance marketplaces and expanded Medicaid are having an impact on reducing the number of uninsured.

Between October 1, 2013 and April 15, 2014, over 300,000 Coloradans signed up for either commercial insurance in Connect for Health Colorado or the expanded Medicaid program. It is still unknown how many of these individuals were among Colorado's nearly 750,000 previously uninsured, but it is likely that we will see a drop in Colorado's number of uninsured as data becomes available.

There is highly credible evidence that insurance coverage status is the best proxy we have for health outcomes. The Institute of Medicine found in 2003 that lack of health insurance is the 6th leading cause of death in the United States. The Institute updated its work in 2009 finding, among other things, that being uninsured leads to harmful delays obtaining diagnoses and necessary treatments for persons with chronic diseases and children with serious health conditions.