



Dora
Department of Regulatory Agencies

2008 Annual Report
Of The
Commission on Mandated Health Insurance Benefits
To The
Colorado General Assembly

December 1, 2008

Colorado Commission on Mandated Health Insurance Benefits

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Introduction

The Commission on Mandated Health Insurance Benefits was created through the enactment of Senate Bill 03-068, sponsored by Senator Hagedorn and Representative Brophy. The Commission is charged with reviewing existing and proposed health benefit mandates for their impact on individuals, employers and health insurers. The statutory authority for the Commission is found at Colo. Rev. Stat. §10-16-103.3.

In 2004, the Commission adopted the following mission statement, consistent with the enabling legislation, as a guide to its work:

To serve the people of Colorado and the State Legislature by providing objective information and recommendations on the impact and structure of current and proposed health insurance mandated benefits.

Commission Membership

The Commission's membership is set by statute. Colo. Rev. Stat. §10-16-103.3(1)(a)(III) provides that the Governor appoint members representing the following groups:

- An employee of the Division of Insurance
- A representative of the health insurance industry
- A representative of a health maintenance organization
- Two health care providers
- Two citizen members – one with an interest in mandated health insurance benefits, and one representing a consumer health advocacy group
- Two members who are business owners with less than 50 employees, one from Denver and one from a rural area

Two legislators, one each from the House and Senate, and members of the Business Affairs and Labor Committees are appointed by the legislative leadership. Colo. Rev. Stat. § 10-16-103.3(1)(a)(I and II). All members of the Commission are appointed for five year terms. Colo. Rev. Stat. §10-16-103.3(1)(b).

For 2008, two legislative members continued to serve on the Commission, Senator Lois Tochtrop and Representative Morgan Carroll. In 2008, three vacancies on the Commission impaired the ability of the Commission to obtain a quorum for the conduct of business. A list of the current Commission membership is attached at Appendix A and is available on the Division of Insurance's website at <http://www.dora.state.co.us/insurance/meet/MHB/08members.pdf>.

The Commission functioned without a chair for 2008 with Vice Chair Leo Tokar assuming the leadership responsibilities. Colo. Rev. Stat. §10-16-103.3(1)(c). The Commission was staffed by Deputy Insurance Commissioner for Consumer Affairs Peg Brown, who serves as a member of the Commission.

Processes and Procedures

Pursuant to the provisions of Colo. Rev. Stat. §10-16-103.3(6) and Senate Joint Resolution 05-04, the legislative chairs of committees having jurisdiction over proposed legislation containing health insurance mandates are to request the Commission study and assess the social and financial impact of a proposed mandate and forward the Commission's findings to the committee prior to the initial hearing of the bill.

On February 6, 2008, Insurance Commissioner Marcy Morrison issued a memorandum to the legislative leadership requesting that committee chairs refrain from referring bills to the Commission or discuss what would be adequate time frames for referral of bills to and consideration by the Commission. A copy of this memorandum is attached as Appendix B.

No bill was referred to the Commission during the legislative session in 2008. The Commission was requested to meet and consider one proposal (prior to its introduction) toward the end of the legislative session, but was unable to achieve a quorum for a meeting. This legislation, HB08-1410, was ultimately enacted with the following provision:

Section 5. Effective date – applicability. (1) Except as specified in subsection (2) of this section, this act shall take effect upon passage and shall apply to policies and contracts that are delivered, issued, renewed, or reinstated on or after July 1, 2009.

(2) Sections 1, 2, and 3 of this act shall take effect only if the commission on mandated health insurance benefits created in section 10-16-103.3, Colorado Revised Statutes:

- (a) Twice fails to reach a quorum to consider the mandated health insurance coverage established by section 10-16-104(18); or
- (b) Concludes that the benefits of the mandated health insurance coverage established by section 10-16-104(18) outweigh its harms.

In accordance with this provision, the Commission sought to meet on four dates – August 15, August 22, September 5 and September 19, 2008 – but was unable to confirm a quorum for any of the four dates.

Future

Pursuant to the continuation of the Commission enacted in 2005, the Commission will sunset on July 1, 2010 unless it is continued by the Colorado General Assembly. Commission members recognize that there is some controversy about whether the Commission should exist, how it is structured and operates, and whether it provides value to the General Assembly and the public. The Commission urges full and fair discussion of the issues involved and looks forward to resolution of these issues.

Appendix A

Roster of Commission Members

Commission on Mandated Health Insurance Benefits

Roster

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Vacancies:

- 1. Health Care Provider (Michelle Velkoff – declared vacant)**
- 2. Small Business Owner – Rural (Deb Higgins – resigned)**
- 3. Small Business Owner – Metro (Gail Lindley – resigned)**

Appendix B

Memo To Legislative Leadership



Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202
303-894-7499

Memo

To:	Speaker Andrew Romanoff	President Peter Groff
	Senate Majority Leader Ken Gordon	House Majority Leader Alice Madden
	Senate Minority Leader Andy McElhany	House Minority Leader Mike May
From:	Marcy Morrison	
Cc:	Senator Bob Hagedorn	
Date:	February 6, 2008	
Re:	Mandated Health Insurance Benefits Commission	

For the reasons set forth below, I am requesting that legislative leadership refrain, and instruct legislative committee chairs to refrain, from referring legislation to the Commission for review.

The Mandated Health Insurance Benefits Commission (Mandates Commission) was statutorily established to review proposed health insurance mandates, the existing mandated health insurance benefits, and to provide advice and counsel to the General Assembly and the Division of Insurance about health insurance benefit issues. See C.R.S. 10-16-103.3(5). The statute and legislative rules provide that the chair of a committee of reference is to refer a bill to the Mandates Commission for analysis prior to a bill's hearing in the committee. C.R.S. 10-16-103.3(6).

While well-intentioned, the Mandates Commission has struggled over the past couple of years to fill its charge and has been the subject of criticism by legislators and the public. Moreover, the legislative calendar and deadlines, compound the situation due to legislation being referred to the Commission with a “short fuse” deadline. In some cases, the Commission has been asked on Thursday evening to review a bill on Friday afternoon, and report back to the legislature by Monday noon. It is an unreasonable expectation of Division of Insurance staff to organize a Commission meeting, achieve a quorum, staff the Commission in reviewing the sometimes complex legislation and issues, and prepare a full and balanced report in such timeframes.

Alternatively, if it is the desire of the legislative leadership to continue to refer bills to the Commission, we will need to have discussions and reach agreement as to the deadlines for referral of bills to the Commission and its report back to the Legislature.

Please advise how you would like to proceed on this request.

Consumer protection is our mission

