



# Updates on CO Legislative Session 2020

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# Disclosures

- Volunteer as a health policy fellow for a CO Legislator
- Work in the Farley Health Policy Center at CU SOM
- Member of the Board of Directors and Legislative Committee for the CAFPP

# Learning Objectives

By the end of the presentation, participants will be able to.....

1. Summarize the impact of COVID on the 2020 Colorado Legislative Session and State Budget as it relates to primary care.
2. Describe the major policy changes which occurred around Telehealth in Colorado.
3. Describe the impact of patient & provider stories in changing policy and advocacy.

# In the next **40** minutes...

- Anatomy of This Year's Legislative Session
- Pre-Intermission Bills
  - Health Care Reform
  - Immunizations
- Post-Intermission Bills
  - COVID related
- Budget Woes
  - \$3 Billion shortfall
  - Budget Cuts
- Importance of Storytelling in Advocacy

# Anatomy of a Legislative Session

WHAT HAPPENED DUE TO COVID?

## Normal CO State Legislative Session

- Originally scheduled January 8th – May 6th

## 2020 CO State Legislative Session

- January 8 – March 14
- 10-week intermission
- CO Supreme Court decision on re-convening (4-3)
- May 26 – June 15
- 84 of 120 possible days

## What was accomplished?

- Top priority was the state budget for the next fiscal year
  - \$3 billion budget deficit projected
  - Preservation of core government services
- March 14<sup>th</sup> – May 26<sup>th</sup>
  - 300 bills left in limbo
- Re-convening
  - “Fast, friendly, and free” – House Speaker Becker
  - Old bills – what was feasible
  - New Bills – new problems to be addressed

# CO Legislative Session: Pre-Intermission Bills

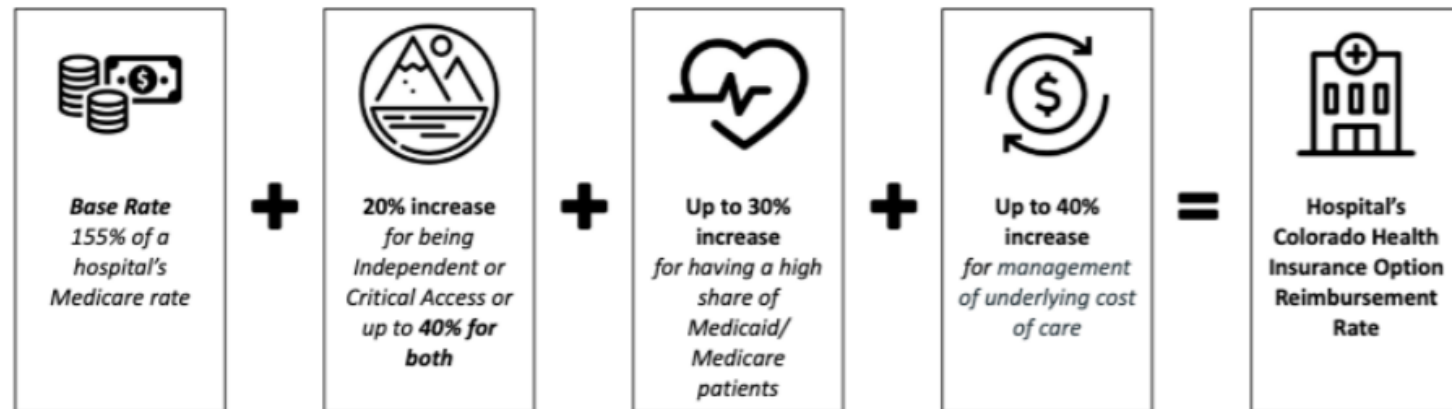


## Colorado Affordable Health Care Option (Public Option) – [HB20-1349](#)

Public/Private partnership model. Government sets parameters for public option and insurance carriers offer the actual insurance plan in the individual market. Cost to be addressed through the three primary drivers of cost in the healthcare system, hospitals, insurers, pharmacy.

1. Regulation of Hospital Reimbursement Rate
2. Increase MLR from 80% to 85%
3. Shift prescription drug company rebate savings from carriers to consumers.

### Proposed Formula:



Colorado  
Affordable Health  
Care Option  
(Public Option) –  
[HB20-1349](#)

- Withdrawn by bill sponsors due to COVID
- Potential reintroduction in 2021 Legislative session
- Interim working group

## School Entry Immunization - [SB20-163](#)

- Requires standardized forms from CDPHE to obtain a non-medical exemption form
- OR
- Completion of online educational modules
- Sets an immunization rate goal for every school to have a 95 percent vaccinated student population.
- Schools publish their vaccination rates for M/M/R

# CO Legislative Session: Post-interim Bills

## Telehealth - SB20-212

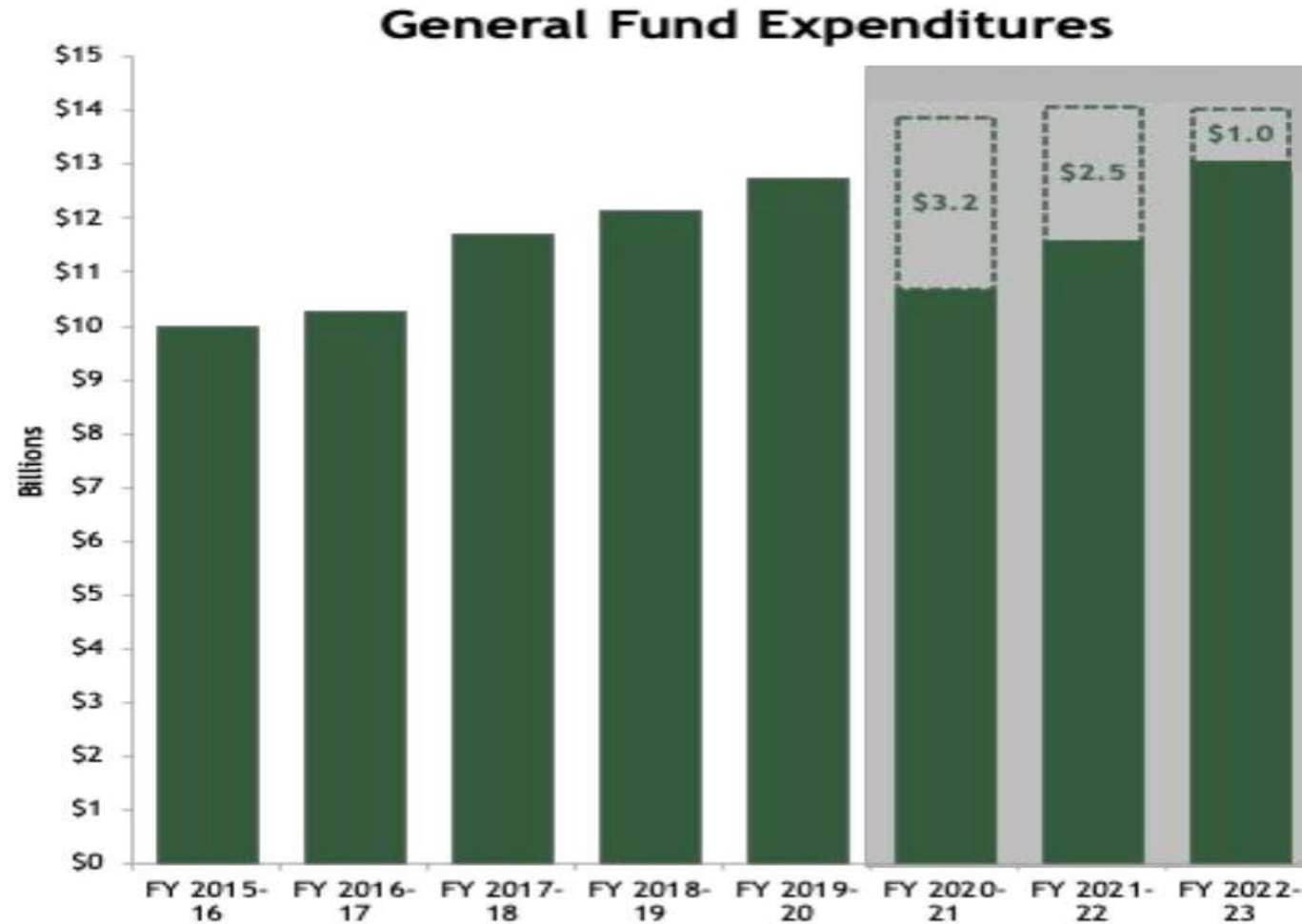
- Prohibits private insurance carriers from putting restrictions on the use of telehealth
  - No technology restrictions as long as HIPPA compliant \*\*
  - Established patient and new patients
  - No additional training, certification, etc. for providers
- Requires Medicaid to cover telehealth more broadly
  - FQHCs, CHCs, IHS can bill for Telehealth at same rate as in-person
- Broadened services that get reimbursed to include speech therapy, physical therapy, occupational therapy, hospice care, home health care, and pediatric behavioral health care
- Parity for phone and audio-visual visits

## Sick Leave for Employees - [SB20-205](#)

- Creates the “Healthy Families and Workplaces Act”
- Employers required to provide paid sick leave through 12/31/20 for reasons related to COVID-19
- Starting 01/01/2021, the act requires all employers in Colorado to provide paid sick leave to their employees, accrued at one hour of paid sick leave for every 30 hours worked, up to a maximum of 48 hours.
  - Begin accruing Sick Leave as soon as employment begins
  - Rolls over into subsequent years
  - Can be used for employee physical/mental health, caring for family member, sequelae of being victim of a crime, school closures or childcare due to public health emergency

# Budget Woes

# Budget Impact of COVID-19



\*Estimate assumes steep drop in revenue, then gradual build back.

\*Estimate is very rough, and **does not** represent a forecast update.

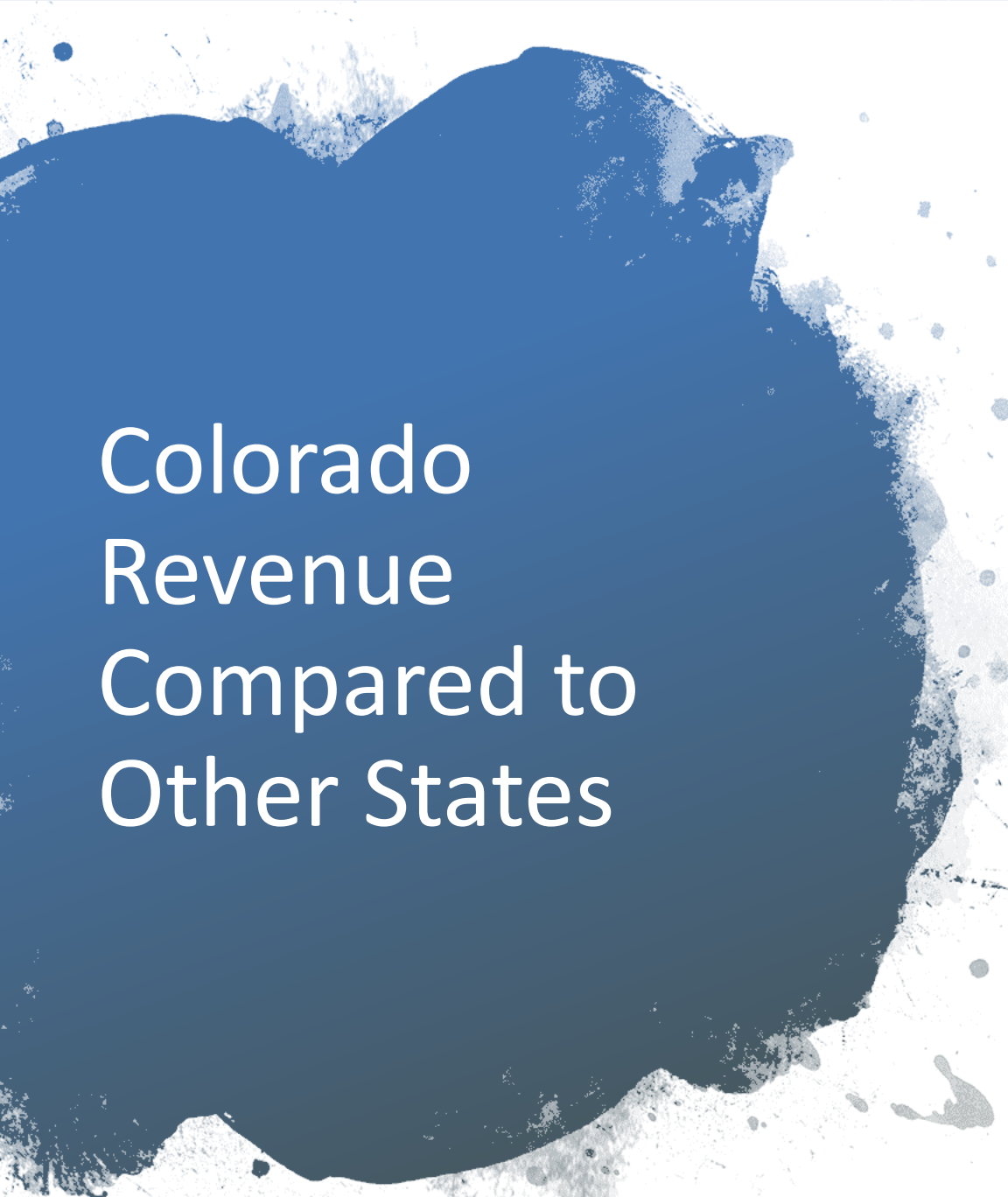
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**COLORADO**

Department of Health Care  
Policy & Financing





# Colorado Revenue Compared to Other States

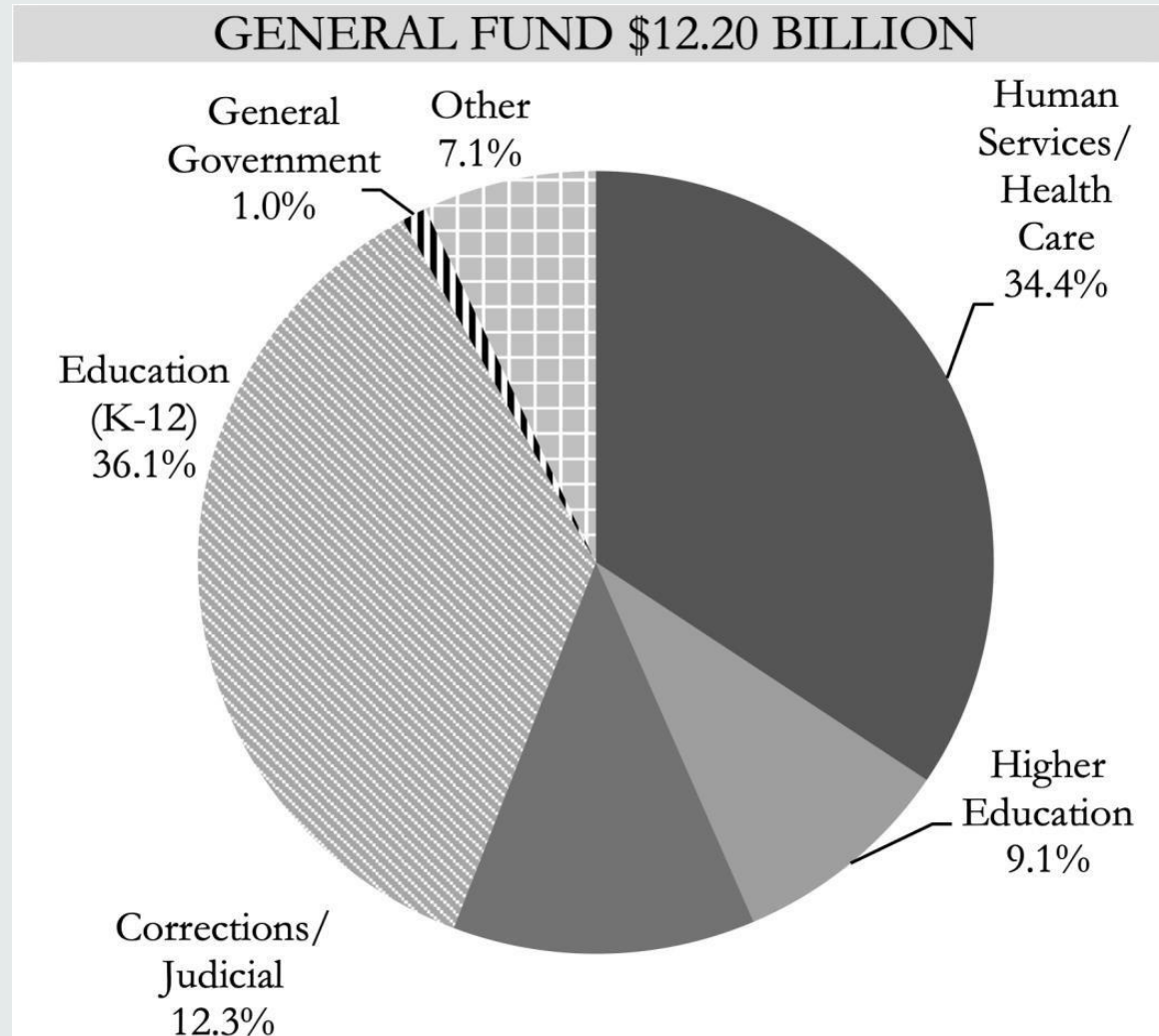
- 1 of 2 states where state income taxes are linked to federal income taxes (federal budget cuts had a big impact)
- State income tax is low and flat (4.63%)
- Budget is 10% of GDP
  - much lower than other states
- Lower residential property taxes (7%)
  - Gallagher Amendment
- TABOR:
  - Unique to CO; has kept tax rates low
  - Limits the amount of \$ in rainy-day fund
  - Has limited state spending – so we might have smaller cuts than other states



# General Fund Revenues Drop: What Now?

- Colorado must maintain a **balanced budget** each year – means spending can't exceed the amount of tax and fee revenue the state collects or saves. Unlike the federal government, the state cannot run a deficit.
- Proposals for Budget Cuts Came From:
  - Governor's Office
  - Joint Budget Committee Staff
  - JBC Members and Other Legislators
  - Interest Groups Proposing Lesser Evils

# What Are the State's General Fund Expenses (from FY 19-20):



# Human Services & Health Care Cuts

## Long Bill Changes:

- Reducing support for the All-Payer Claims Database (\$1.2M)
- Increasing certain Medicaid copays to the maximum allowed under federal law
- Reducing community provider rates by 1% for most Medicaid providers, variety of human services providers, and local public health agencies (LPHAs).
- Reducing supplemental payments to Denver Health and University Hospital (\$3.2 M)
- Reducing the Program for All-Inclusive Care of the Elderly (PACE) rates by 2.37%
- Reducing funding for the Commission on Family Medicine (\$1.0 M)
- Reducing student loan repayment for health professionals in underserved areas: \$672,000
- Reducing funding for Healthy Communities by 75%
- Reduction in Hospital Provider Fee (\$161 M)

# Human Services & Health Care Cuts

## Long Bill Changes:

- Reducing Screening, Brief Intervention, and Referral to Treatment (SBIRT) training grants
- Delaying implementation of Medicaid's Inpatient/Residential Substance Use Disorder benefit (1/1/21 implementation)
- Reducing Substance Use Disorder (SUD) Prevention, Treatment and Recovery: \$21 million
- Reducing OBH funding for capacity tracking system, crisis response system
- Reducing Low-Income Senior Dental: \$1 million
- Reducing Family planning services: \$714,000
- Reducing federal disability benefits application assistance : \$3.75 million

## Budget Actions in Other Bills

### Reductions in other bills include:

- Reducing the annual cap on the adult dental benefit from \$1500 to \$1000 (HB 20-1361)
- Making Implementation of wraparound services for children and youth as required by SB 19-195 contingent on available appropriations. No funding is appropriated for FY 2020-21 (HB 20-1384). HCPF lost 4 staff and contractor funding
- Limiting the annual rate increase for skilled nursing facilities to 2%, instead of 3% (HB 20-1362)
- Using increased federal Medicaid financing (HB 20-1385) and Healthcare Affordability and Sustainability cash funds to create General Fund relief (HB 20-1386)

# Education Cuts

## K-12 and Higher Ed

- K-12 Education Grant Programs:
  - Behavioral Health Professionals: \$3.0 million, K-5 Social and Emotional Health Pilot Program: \$2.5 million, Bullying Prevention: \$1 million
  - Grants for Empowering Parents, Student Re-Engagement, Career Development Success, Concurrent Enrollment, Local Libraries, Quality Teacher Recruitment and Grow Your Own Educator programs
- Higher education cut by 58%, or about \$493.2 million. This equals the \$450 million in federal aid to higher education announced by Gov. Polis as part of his federal CARES funding plus an additional 5% cut
- K-12 cut of \$577 million (~7%). Schools received ~\$600 million in CARES funding



# Federal Relief Covers Most State Cuts

■ FY19-20 Spending ■ State Cuts FY20-21 Compared to FY19-20 ■ Federal Aid FY19-20, 20-21

Revised Funding for FY  
2020-21 After State Cuts  
and Addition of Federal  
Assistance:

■ - ■ + ■

## K-12 Education



\$6.416B

## Higher Education



\$4.569B

## Human Services



\$2.401B

## CDPHE



\$779M

## Other



\$7.939B

**Note:** HCPF's budget from the state increased by \$1.202 billion, to \$12.025 billion, to cover an anticipated surge in Medicaid membership. HCPF also received \$395 million in federal relief funding.



# Social Services & Criminal Justice Cuts

- No cut to senior and disabled veteran homestead exemption or Amendment 35 programs.
- Moving \$30 million per year directed to Affordable Housing in 2019, 2020 and 2021 to balance the budget
- Closing minimum-security prison in Canon City
- Reducing beds at women's prison in Pueblo

## One-time (or very limited) Budget Cuts

- \$304 million in transfers from existing cash funds
  - Spend marijuana taxes in the year they are collected (\$139 million)
- State reserve amount reduced to 2.86% from a previous rate of 7.65% (\$572 million)
- Suspension of the \$225 million GF transfer to PERA
- Fund only critical repair projects for state-owned buildings/property (\$3 million)
- Increased revenue through HB1420: decouple from federal tax cuts (+\$94 million)

# Federal Funds: Good News?

CARES Act - Colorado gets \$1.67 billion in federal funds:

- Can't cover anything already in the state budget on 3/20/20
- Has to be spent by 12/30/20
- Has to be related to COVID-19
- Governor allocates nearly all (1.6 billion) through an [Executive Order](#).
- General Assembly allocates \$70 million
- Funding to public health, DOC, CDE, DOLA, higher ed

In prior recessions, the bigger hit/steeper revenue cliff comes AFTER the federal funding ends

## Possible Relief?

- Economic Recovery: last recovery took 2-3 years for revenues to rebound. Watch for July income tax collections, unemployment numbers, evictions/foreclosures, permanent layoffs and business closures and fall revenue forecast
- Federal Funds for State Budget Relief
- Ballot Measures on State Revenue:
  - Proposition EE: Increase taxes on Nicotine. Would raise \$ for K12 and affordable housing,
  - Proposition 116: State Income Tax Reduction: Would lower state income tax to 4.55% from current 4.63%
  - Amendment B: Real Property Assessment Rates. Gallagher amendment change referred to November ballot, reset property tax assessments. Colorado is among lowest in nation for residential (high for commercial). Has local government implications

# Using Narrative to Drive Advocacy

# Why Your Stories Matter in Advocacy

- Your unique prevue is invaluable
- You are a critical workforce that cares for their constituents
- High quality, accessible, affordable healthcare will always be policy relevant
- Health Care Providers are uniquely respected by legislators
- Must be tailored to the SPECIFIC audience - SWOT Analysis can help

## Telehealth - SB20-212

- Prohibits private insurance carriers from putting restrictions on the use of telehealth
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# What is advocacy?

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- Advocacy = activities intended to influence decisions regarding a particular cause or policy
  - Lobbying = any attempt to influence specific legislation
- Policy = a course of action adopted and pursued by government, business, or another group (or a movement in a direction for a purpose)





# Levels of Advocacy



## Local/Community

- Organizing residents and stakeholders to identify and prioritize health issues
- Sharing data from affiliate and chapter programming
- Supporting local advocacy efforts



## State

- Engaging (via in person meetings, emails, letters, phone calls, etc.) with state legislators
- Informing state implementation of federal policy
- Influencing federal legislation creation



## Federal

- Telling your member of Congress how a federal grant your organization received has helped your constituents.
- Educating a member of Congress about the effects of a policy on your constituency.
- Inviting a member of Congress to visit your organization so that he/she may see firsthand how federal funding or a policy affects day-to-day operations and the difference it makes.

# Levels of Advocacy



Individual Patients

Clinical  
Paraclinical



Clinic/Hospital

Quality  
Improvement



Institution/Health  
System

Teaching  
trainees about  
advocacy



Testifying on the CO Public Option



# SWOT Analysis

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## The SWOT Analysis





# Ways to Get Involved

# Actions

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- Call, write, or meet with your legislators or other decision makers
- March
- Letter to the editor/op-ed
- Speaking engagements
- Canvassing/gathering signatures

# As an individual

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# Through an institutional committee or workgroup

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UNIVERSITY  
of COLORADO HEALTH



**DENVER  
HEALTH™**  
— est. 1860 —  
FOR LIFE'S JOURNEY



# Through an existing organization

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## **Types of Organizations**

- Professional associations
- Topic-specific advocacy organizations
- Issue campaigns

... or form your own!

# Professional associations

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AMERICAN ACADEMY OF  
FAMILY PHYSICIANS  

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STRONG MEDICINE FOR AMERICA

# Professional association highlight: CAFP

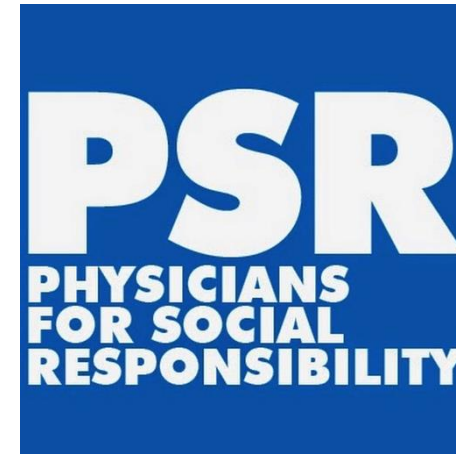
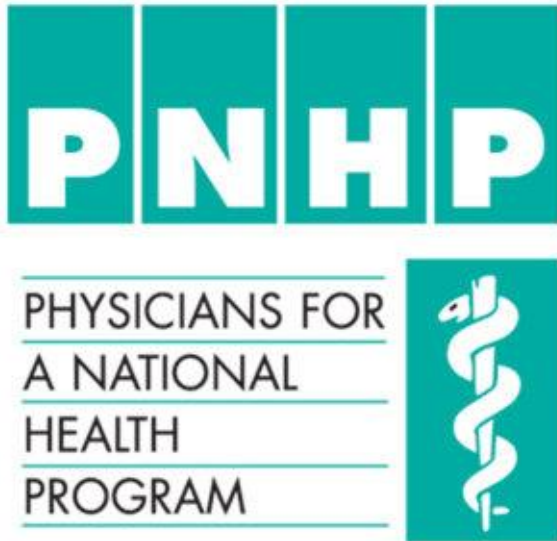
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- Legislative committee
- Doc of the day
- Opportunities to testify/meet with legislators (or aides)
- Resolutions and messages to AAFP



# Topic-specific advocacy organizations

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Questions?

# THANK YOU!

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Special thanks for the slides and information from:

- Colorado Health Foundation (CHF) for their presentation “State of the State’s Budget: The Fiscal Outlook for Colorado's State Government and Its Impact on Communities” by Jennifer Mills
- CO Department of Health Care Policy & Financing (HCPF) for their presentation on the state budget to the Accountable Care Collaborative.
- Colorado Health Institute (CHI) “2020 Legislative Session in Review”