Colorado Association of Health Plans

FACT SHEET

HB25-1151

Oppose HB25-1151:

Protect Colorado's Balanced and Consumer-protective Out-of-Network Statute.

HB25-1151 will **NOT** simply align Colorado law with federal law. HB25-1151 **WILL** disrupt the delicate balance created by the highly negotiated HB19-1174, Out-of-Network Health Care Services, that protects consumers from balance bills who receive care from out-of-network providers through no fault of their own.

	Colorado Law	Federal Law
Payment to OON Provider	Gives out of network providers an increase on the average reimbursement rate for being out of network (the greater of 60th percentile or 110% of median in network rate).[1]	Ensures providers receive an initial payment that payers reasonably believe to be payment in full for the services. Regulatory guidance and payer experience implementing the federal act has led most payers using median contracted rates to determine initial payment amounts.
Arbitration Rules	Because out of network providers receive an increased payment upfront, arbitration for additional payment is more difficult and done on a case-by-case basis (no batching of claims).	Because the provider's initial payment might not exceed the median contracted rate, the law allows for the batching of claims for arbitration when seeking additional payment.

What does this mean for Colorado consumers?

- Colorado consumers will be paying more in premiums under HB25-1151 so that out of network providers can be paid even more for staying out of network. These providers typically include anesthesiologists, radiologists, surgical assistants, emergency room physicians, & pathologists.
- In its 2023 annual report on HB19-1174, the Colorado Division of Insurance stated, "Of the five carriers that reported a reduction in premiums, the impact on premiums ranged from a 0.1% to a 4.4% reduction depending on the market".[2] By changing the arbitration rules, these savings for Colorado consumers will diminish.

Recent updates to HB 1174 Did Not Included Changes to Arbitration Provisions

The Colorado Out-of-Network Methodology Work Group, created by HB22-1284, was tasked with reviewing the current process to verify that providers were being paid the highest amount allowable under Colorado law and make recommendations to improve the process. Both HB-1284, which legislated numerous updates to the 2019, and the resulting Work Group report declined to make **ANY** changes to Colorado's current arbitration system.

PLEASE VOTE NO ON THIS LEGISLATION UNLESS AMENDED TO ADOPT THE FEDERAL SCHEME IN ITS ENTIRETY.

1. **Services at an in-network facility from an out-of-network provider**
   - 60th percentile of the in-network rate of reimbursement for the same service in the same geographic area for the prior year based on commercial claims data from the APCD.
   - 110% of the carrier's median in-network rate of reimbursement for that service in the same geographic area.

   Emergency services at an out-of-network facility
   - Median in-network rate of reimbursement for the same service provided in a similar facility or setting in the same geographic area for the prior year based on commercial claims data from the APCD.
   - 105% of the carrier's median in-network rate of reimbursement for that service provided in a similar facility or setting in the same geographic area.
2. HB 19-1174 Report on Out-of-Network Utilization and Implementation by the Colorado Division of Insurance: July 1, 2023

Contact Jason Hopfer at (303) 880-2023 or at jason@jlhpublicaffairs.com with questions.