

2016 WEEKLY LEGISLATIVE REPORT 3-24

The 11th week of the 2016 legislative session was cut two days short due to the spring blizzard on Wednesday and the traditional recognition of Good Friday. Much attention was placed on The Joint Budget Committee, as the committee worked diligently all week on finalizing the Long Bill, the budget for the 2016-2017 fiscal year. The budget proposal for the fiscal year, which begins on July 1, was finalized on Thursday at \$27 billion. The committee was able to avoid some of the cuts that the Office of State Planning and Budgeting had forecasted before the session began in November. Therefore, higher education funding will not be cut by \$20 million. However, of note, the budget approved did not give the Colorado Department of Public Health and Environment authority to spend \$8.5 million on air pollution control, which takes funding away from 95 employees in charge of protecting the state from air pollution. That cut is a strike at the Hickenlooper administration decision to continue with the state administration of the federal Clean Power Plan, which has been stayed by the US Supreme Court. The budget will also include a cap on the Hospital Provider Fee at \$73 million, substantially less than the fee raised last year. The Long Bill will be introduced in the House on Monday and will effectively monopolize the attention of the House next week.

On Tuesday, Representatives Primavera and Willett HB [1326](#) was heard in the House Public Health Care and Human Services Committee. The bill would set numerous detailed requirements for contracts between health insurance carriers and intermediaries in regards to the provision of physical and occupational therapy. This is the third year that the physical therapists and chiropractors have had legislation introduced to protect them from health insurers' utilization management. The first bill was vetoed by the Governor, the second bill resulted in the Cost Containment Commission reviewing its provisions and concluding that unconstrained physical therapy treatment would increase health care costs. The proponents of [HB 1326](#) insisted that health insurers are unnecessarily interfering in the treatment decisions of physical therapists and prescribing physicians. Opponents, including health insurers and business organizations, insisted that utilization review of physical therapy and chiropractic care is a necessary tool to manage health insurance costs and that micromanagement of carrier contracts with providers will drive health insurance costs to unsustainable levels. The bill passed on a vote of 10-3 and will be heard on the House floor. There are yet more health insurance mandates and regulations still to be heard this session. Next up is likely [HB 1361](#) which will require health insurers and pharmacy benefit managers to admit any pharmacy willing to do business with them into their networks and prohibit encouraging insureds to use mail delivery of drugs.

In spite of predictions of a break in the logjam, there has been no legislation dealing with the issue of construction defects introduced this session and with less than 7 weeks remaining it would appear that nothing will happen again in 2016 to encourage the building of condominiums in Colorado.

One major piece of legislation anticipated in 2016 was an attempt by Pinnacol Assurance, the state created workers compensation carrier, to expand its service by providing workers compensation coverage in other states through a subsidiary. Pinnacol spent much of last summer and fall working on outreach to a wide range of stakeholders. Nevertheless, the opposition of a variety of interests persuaded Pinnacol that the effort would fail and this week the company announced it was giving up on legislation in 2016.