

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 24-0818.01 Richard Sweetman x4333

HOUSE BILL 24-1005

HOUSE SPONSORSHIP

deGruy Kennedy and Ortiz,

SENATE SPONSORSHIP

Roberts and Fields,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CONTRACT REQUIREMENTS BETWEEN PRIMARY CARE**
102 **PROVIDERS AND OTHER HEALTH-CARE ORGANIZATIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

With certain exceptions, for health benefit plans that are issued or renewed on or after January 1, 2027, the bill requires a health-care insurance carrier (carrier) to include a primary care provider as a participating provider in all networks, including narrow networks and all tiers of tiered networks, of the carrier's health benefit plan if the primary care provider is:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
March 22, 2024

- Licensed to practice in Colorado;
- Certified or accredited by a national association for the certification or accreditation of primary care providers;
- Enrolled in an alternative payment model; and
- Credentialed by federal law to receive reimbursement for the provision of care to patients receiving benefits from medicaid.

On or before December 31, 2025, the commissioner of insurance must promulgate rules to implement the bill, including rules:

- Establishing criteria and a process for determining whether a primary care provider meets the criteria; and
- Establishing a schedule for contracted reimbursements issued to primary care providers who participate in a health benefit plan.

The division of insurance must contract with an actuary to determine a minimum reimbursement schedule for alternative payment models. The schedule:

- Must ensure that primary care providers are reimbursed at rates that are at least equal to the reimbursement rates established in law for purposes of the Colorado standardized health benefit plan;
- Must include adjustments for regional cost of living variations; and
- May include incentives for integration of behavioral health-care services and comprehensive care coordination services.

If a carrier and a primary care provider do not negotiate and agree to terms of reimbursement, the carrier must compensate the primary care provider in accordance with the schedule for contracted reimbursements established by rule.

If a primary care provider employed by a medical group or hospital system leaves the medical group or hospital system to establish an independent practice, the primary care provider may communicate with patients about continuing to see them in the new practice.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 8-2-113, **amend**

3 **(5)(a)** as follows:

4 **8-2-113. Unlawful to intimidate worker - agreement not to**

5 **compete - physician employment agreement - prohibition - exceptions**

1 - notice - definitions. (5) (a) (I) EXCEPT AS PROVIDED IN SUBSECTIONS
2 (5)(a)(III)(A) AND (5)(a)(III)(B) OF THIS SECTION, any covenant not to
3 compete provision of an employment, partnership, or corporate agreement
4 between physicians that restricts the right of a physician to practice
5 medicine, as defined in section 12-240-107, upon termination of the
6 agreement is void; except that all other provisions of the agreement
7 enforceable at law, including provisions that require the payment of
8 damages in an amount that is reasonably related to the injury suffered by
9 reason of termination DUE TO A BREACH of the agreement are enforceable.
10 Provisions of a covenant not to compete AN AGREEMENT that require the
11 payment of damages upon termination BREACH of the agreement may
12 include damages related to competition BUT MUST NOT INCLUDE:

13 (A) DAMAGES RESULTING FROM BREACH OF A VOID COVENANT
14 NOT TO COMPETE;

15 (B) DAMAGES RELATED TO COMPETITION THAT RESULT FROM A
16 PRIMARY CARE PROVIDER'S TERMINATION OF AN EMPLOYMENT
17 AGREEMENT THAT HAS A TERM OF AT LEAST FOUR YEARS;

18 (C) A LIQUIDATED DAMAGES AMOUNT THAT IS NOT AN
19 ENFORCEABLE LIQUIDATED DAMAGES PROVISION AS A MATTER OF LAW OR
20 THAT IS NOT REASONABLY RELATED TO THE ACTUAL INJURY SUFFERED; OR

21 (D) DAMAGES THAT EXCEED ONE-HALF OF THE PRIMARY CARE
22 PROVIDER'S ANNUAL CASH COMPENSATION IMMEDIATELY PRIOR TO THE
23 TERMINATION OF EMPLOYMENT OR OTHER ASSOCIATION.

24 (II) ANY CONTRACT THAT CONTAINS A DAMAGES CLAUSE THAT IS
25 SUBJECT TO THIS SUBSECTION (5)(a) IS ALSO SUBJECT TO SUBSECTIONS (4),
26 (5)(b), (6), AND (7) OF THIS SECTION.

27 (III) SUBSECTIONS (5)(a)(I) AND (5)(a)(II) OF THIS SECTION:

1 (A) DO NOT APPLY TO A PHYSICIAN WHO HOLDS A MAJORITY
2 INTEREST IN A MEDICAL PRACTICE AND ENTERS INTO AN AGREEMENT TO
3 SELL THE MEDICAL PRACTICE;

4 (B) DO NOT APPLY TO A MINORITY OWNER OF TEN PERCENT OR
5 MORE OF A MEDICAL PRACTICE WHO AGREES TO THE SALE OF THE MEDICAL
6 PRACTICE IN WHICH THE MINORITY OWNER HAS INTEREST; AND

7 (C) DO APPLY TO A MINORITY OWNER OF LESS THAN TEN PERCENT.

8 **SECTION 2. Act subject to petition - effective date -**
9 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
10 the expiration of the ninety-day period after final adjournment of the
11 general assembly; except that, if a referendum petition is filed pursuant
12 to section 1 (3) of article V of the state constitution against this act or an
13 item, section, or part of this act within such period, then the act, item,
14 section, or part will not take effect unless approved by the people at the
15 general election to be held in November 2024 and, in such case, will take
16 effect on the date of the official declaration of the vote thereon by the
17 governor.

18 (2) This act applies to contracts entered into on or after the
19 applicable effective date of this act.