

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-0956.01 Kristen Forrestal x4217

HOUSE BILL 17-1286

HOUSE SPONSORSHIP

Esgar, Covarrubias, Buckner, Ginal, Jackson, Kennedy, Lontine

SENATE SPONSORSHIP

Crowder,

House Committees

Health, Insurance, & Environment

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CONTRACT REQUIREMENTS FOR HEALTH INSURANCE**
102 **CARRIERS THAT OFFER HEALTH BENEFITS TO STATE**
103 **EMPLOYEES.**

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>.)

The bill requires health insurance carriers that contract with the state to provide group benefit plans to state employees to:

- ! Participate in the individual market through the health insurance exchange;
- ! Provide plans to 2 counties in a geographic rating area with

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

the highest premiums; and
! Participate in medicaid, the children's basic health plan, and
specific grant programs.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-50-605, **amend**
3 (2)(e); and **add** (2)(f), (2)(g), (2)(h), (2)(i), and (2)(j) as follows:

4 **24-50-605. Group benefit plans - specifications - contracts.**

5 (2) (e) Financial data will be available to be inspected or copied by any
6 employee at the offices of the director, except for proprietary and
7 confidential information of carriers and information regarding specific
8 employees. ~~The director shall not enter into contracts with carriers that do~~
9 ~~not comply with paragraphs (c) to (e) of this subsection (2).~~

10 (f) EACH CONTRACT THAT IS ENTERED INTO WITH A CARRIER OR
11 THIRD-PARTY ADMINISTRATOR MUST INCLUDE A REQUIREMENT THAT THE
12 CARRIER OR THIRD-PARTY ADMINISTRATOR:

13 (I) OFFER HEALTH BENEFIT PLANS IN THE INDIVIDUAL MARKET IN
14 COLORADO UNLESS THE CARRIER OR THIRD-PARTY ADMINISTRATOR IS
15 BARRED FROM DOING SO UNDER FEDERAL LAW, REGULATION, OR
16 REQUIREMENTS BECAUSE THE CARRIER OR THIRD-PARTY ADMINISTRATOR
17 EXITED THE MARKET BEFORE JANUARY 1, 2017. THE CARRIER OR
18 THIRD-PARTY ADMINISTRATOR SHALL OFFER INDIVIDUAL HEALTH BENEFIT
19 PLANS THROUGH A WHOLLY OWNED SUBSIDIARY UNTIL THE TIME AS IT IS
20 NO LONGER BARRED FROM THE MARKET BY FEDERAL REQUIREMENTS. THE
21 CARRIER OR THIRD-PARTY ADMINISTRATOR SHALL OFFER INDIVIDUAL
22 HEALTH BENEFIT PLANS THROUGH THE HEALTH BENEFIT EXCHANGE
23 CREATED IN SECTION 10-22-104 OR THROUGH ANY SUCCESSOR ENTITY.

24 (II) OFFER HEALTH BENEFIT PLANS IN AT LEAST TWO COUNTIES IN

1 THE GEOGRAPHIC RATING AREA WITH THE HIGHEST AVERAGE PREMIUMS
2 ON THE INDIVIDUAL MARKET, AS DETERMINED BY THE COMMISSIONER OF
3 INSURANCE. THE PLANS OFFERED MUST INCLUDE:

4 (A) ONE PLAN THAT HAS BENEFITS AND A COST-SHARING
5 STRUCTURE SUBSTANTIALLY SIMILAR TO THE BENEFITS AND
6 COST-SHARING STRUCTURE IN A GROUP BENEFIT PLAN THE CARRIER OR
7 THIRD-PARTY ADMINISTRATOR OFFERS TO STATE EMPLOYEES;

8 (B) ONE PLAN THAT HAS BENEFITS THAT ARE SUBSTANTIALLY
9 SIMILAR TO THE BENEFITS IN A GROUP BENEFIT PLAN THE CARRIER OR
10 THIRD-PARTY ADMINISTRATOR OFFERS TO STATE EMPLOYEES, BUT WITH
11 A DIFFERENT COST-SHARING STRUCTURE; AND

12 (C) ONE PLAN THAT IS SIGNIFICANTLY LESS EXPENSIVE, IN TERMS
13 OF MONTHLY PREMIUMS, THAN THE PLANS OFFERED UNDER SUBSECTIONS
14 (2)(f)(II)(A) AND (2)(f)(II)(B) OF THIS SECTION.

15 (g) EACH CARRIER OR THIRD-PARTY ADMINISTRATOR MUST
16 MEANINGFULLY PARTICIPATE, AS DEFINED BY RULE OF THE DEPARTMENT
17 OF HEALTH CARE POLICY AND FINANCING, IN MEDICAID OR THE CHILDREN'S
18 BASIC HEALTH PLAN, AS DEFINED IN SECTION 25.5-8-103 (2). AS DEFINED,
19 MEANINGFUL PARTICIPATION MUST INCLUDE:

20 (I) (A) PARTICIPATION IN THE PROGRAMS DESCRIBED IN SECTION
21 25.5-5-415 AND AUTHORIZED IN SECTION 25.5-1-205;

22 (B) PARTICIPATION IN THE ACCOUNTABLE CARE COLLABORATIVE
23 PROGRAM IN THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
24 OR ITS SUCCESSOR PROGRAM; OR

25 (C) PARTICIPATION AS A MANAGED CARE ORGANIZATION IN THE
26 CHILDREN'S BASIC HEALTH PLAN AS DEFINED IN SECTION 25.5-8-103 (2);

27 OR

1 (II) GOOD-FAITH EFFORTS TO BID ON AND RESPOND TO REQUESTS
2 FOR PROPOSALS FOR PARTICIPATION IN THE PROGRAMS IN THIS SUBSECTION
3 (2)(g); OR

4 (III) OTHER PARTICIPATION AS DEFINED BY THE EXECUTIVE
5 DIRECTOR OF THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

6 (h) THE COMMISSIONER OF INSURANCE SHALL CERTIFY TO THE
7 DIRECTOR THAT THE CARRIERS OR THIRD-PARTY ADMINISTRATORS THAT
8 OFFER OR ADMINISTER, OR WISH TO OFFER OR ADMINISTER, GROUP BENEFIT
9 PLANS TO STATE EMPLOYEES MEET THE CRITERIA DESCRIBED IN
10 SUBSECTION (2)(f) OF THIS SECTION.

11 (i) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HEALTH
12 CARE POLICY AND FINANCING SHALL CERTIFY THAT THE CARRIERS OR
13 THIRD-PARTY ADMINISTRATORS THAT OFFER OR ADMINISTER, OR WISH TO
14 OFFER OR ADMINISTER, GROUP BENEFIT PLANS TO STATE EMPLOYEES MEET
15 THE CRITERIA DESCRIBED IN SUBSECTION (2)(g) OF THIS SECTION.

16 (j) THE DIRECTOR SHALL NOT ENTER INTO CONTRACTS WITH
17 CARRIERS OR THIRD-PARTY ADMINISTRATORS THAT DO NOT COMPLY WITH
18 SUBSECTIONS (2)(c) TO (2)(g) OF THIS SECTION.

19 **SECTION 2. Act subject to petition - effective date.** This act
20 takes effect July 1, 2018; except that, if a referendum petition is filed
21 pursuant to section 1 (3) of article V of the state constitution against this
22 act or an item, section, or part of this act within the ninety-day period
23 after final adjournment of the general assembly, then the act, item,
24 section, or part will not take effect unless approved by the people at the
25 general election to be held in November 2018 and, in such case, will take
26 effect on the date of the official declaration of the vote thereon by the
27 governor.