

CHAPTER 54

INSURANCE

HOUSE BILL 00-1037

BY REPRESENTATIVES Hoppe, Gagliardi, Hagedorn, Lawrence, Plant, Ragsdale, Tapia, Tochtrop, and Young;
also SENATORS Musgrave, Lamborn, and Weddig.

AN ACT

CONCERNING CATASTROPHIC HEALTH INSURANCE COVERAGE.

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

SECTION 1. 10-16-116 (2) (a), (2) (b), (2) (e), and (2) (f), the introductory portion to 10-16-116 (2) (h), and 10-16-116 (2) (h) (II), Colorado Revised Statutes, are amended, and the said 10-16-116 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

10-16-116. Catastrophic health insurance - coverage. (2) Each catastrophic health insurance policy issued pursuant to subsection (1) of this section is required to:

(a) Be issued to the employer UNLESS ISSUED AS AN INDIVIDUAL PLAN PURSUANT TO SECTION 10-8-601.5 (1) (c.5);

(b) IN ORDER TO BE CONSIDERED A QUALIFIED HIGHER DEDUCTIBLE PLAN FOR PURPOSES OF A MEDICAL SAVINGS ACCOUNT PURSUANT TO SECTION 39-22-504.7, C.R.S., have a minimum deductible of AT LEAST ONE THOUSAND FIVE HUNDRED DOLLARS BUT NO MORE THAN two thousand ~~five~~ TWO hundred FIFTY dollars FOR INDIVIDUAL COVERAGE OR AT LEAST THREE THOUSAND DOLLARS BUT NO MORE THAN FOUR THOUSAND FIVE HUNDRED DOLLARS FOR FAMILY COVERAGE;

(e) FOR GROUP COVERAGE, cover an employee and eligible dependents regardless of health status; ~~if the employee was continuously covered for one year or more with a gap in coverage of no more than ninety days under another health insurance policy;~~ EXCEPT THAT A BUSINESS GROUP OF ONE MAY BE RESTRICTED TO OBTAINING COVERAGE DURING AN OPEN ENROLLMENT PERIOD AS SPECIFIED BY SECTION 10-16-105 (7.3) (i);

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

~~(f) (I) Be priced pursuant to a modified form of community rating, except as provided in subparagraph (H) of this paragraph (f). The information to be taken into account by the insurer during the underwriting process is limited to the applicant's age, sex, health status, and the geographical area in which the applicant lives. BE PRICED ACCORDING TO APPROPRIATE RATING REQUIREMENTS FOR HEALTH BENEFIT PLANS AS SPECIFIED BY LAW.~~

~~(H) If the catastrophic health insurance policy covers the employees of a small employer, then it shall be priced pursuant to section 10-16-105 (8).~~

(h) FOR GROUP COVERAGE, include a portability clause which provides that:

~~(II) CONVERSION benefits may not be less than those provided under the policy prior to the date of conversion and must comply with section 10-16-108. SHALL BE THE INSURED'S CHOICE OF THE SAME COVERAGE ISSUED, WITHOUT EVIDENCE OF INSURABILITY, AS AN INDIVIDUAL POLICY OR THE CONVERSION COVERAGE SPECIFIED IN SECTION 10-16-108.~~

(i) COMPLY WITH REQUIREMENTS FOR HEALTH BENEFIT PLANS SPECIFIED IN THIS ARTICLE, INCLUDING THOSE RELATED TO PREEXISTING CONDITIONS IN ACCORDANCE WITH SECTION 10-16-118.

SECTION 2. 39-22-504.6 (3.5), Colorado Revised Statutes, is amended to read:

39-22-504.6. Definitions. As used in sections 39-22-504.5 to 39-22-504.7, unless the context otherwise requires:

(3.5) "Qualified higher deductible health plan" means a health coverage policy, certificate, or contract that provides for the payment of covered benefits that exceed the deductible, which shall ~~not exceed~~ BE AT LEAST ONE THOUSAND FIVE HUNDRED DOLLARS BUT NO MORE THAN TWO THOUSAND TWO HUNDRED FIFTY DOLLARS FOR INDIVIDUAL COVERAGE OR AT LEAST three thousand dollars BUT NO MORE THAN FOUR THOUSAND FIVE HUNDRED DOLLARS FOR FAMILY COVERAGE, and that is purchased by an employer for the benefit of an employee who makes deposits into a medical savings account.

SECTION 3. Effective date - applicability. This act shall take effect January 1, 2001, and shall apply to catastrophic insurance policies newly issued on or after said date.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 17, 2000