

CHAPTER 114

INSURANCE

HOUSE BILL 09-1143

BY REPRESENTATIVE(S) Swalm, Acree, Balmer, Bradford, Court, Gardner B., Labuda, Liston, Looper, Massey, McFadyen, McNulty, Priola, Scanlan, Summers, Baumgardner, Gardner C., Gerou, Kerr J., King S., Lambert, Marostica, May, Murray, Nikkel, Roberts, Sonnenberg, Stephens, Tipton, Vaad, Vigil, Waller, Rice;
also SENATOR(S) Schwartz, Brophy, Gibbs, Groff, Harvey, Kester, King K., Kopp, Lundberg, Morse, Romer, Scheffel, Schultheis, Shaffer B., Spence, Tapia, White, Williams.

AN ACT

CONCERNING THE AUTHORITY OF A HEALTH MAINTENANCE ORGANIZATION TO OFFER BASIC HEALTH SERVICES THROUGH A LIMITED HEALTH BENEFIT PLAN.

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

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) The uninsured population in the state of Colorado continues to grow each year;

(b) One major contributor to the rise in the uninsured population is the inability of employer groups, particularly small employer groups, to find affordable health insurance offerings for their employees; and

(c) Therefore, it is important to adopt measures to provide access to affordable options for health care coverage throughout the state.

SECTION 2. 10-16-403 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10-16-403. Powers of health maintenance organizations - repeal. (1) The powers of a health maintenance organization include, but are not limited to, the following:

(h) (I) THE AUTHORITY TO OFFER BASIC HEALTH CARE SERVICES, AS DEFINED IN

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

SECTION 10-16-102, TO ENROLLEES THROUGH A LIMITED HEALTH BENEFIT PLAN UNDER THE FOLLOWING CONDITIONS:

(A) A LIMITED HEALTH BENEFIT PLAN OFFERED TO EMPLOYER GROUPS SHALL BE AVAILABLE ONLY TO EMPLOYER GROUPS THAT HAVE NOT OFFERED AN EMPLOYER-SPONSORED HEALTH COVERAGE PLAN TO ITS EMPLOYEES OR TO ALL CLASSES OF ITS EMPLOYEES IN THE TWELVE MONTHS PRIOR TO APPLICATION FOR ENROLLMENT IN THE PLAN;

(B) A LIMITED HEALTH BENEFIT PLAN OFFERED TO INDIVIDUALS SHALL BE AVAILABLE ONLY TO INDIVIDUALS WHO HAVE BEEN UNINSURED FOR AT LEAST TWELVE MONTHS PRIOR TO APPLICATION FOR ENROLLMENT IN THE PLAN;

(C) A LIMITED HEALTH BENEFIT PLAN MAY BE OFFERED ONLY IN COUNTIES WITH A POPULATION OF NOT MORE THAN TWENTY-FIVE THOUSAND PEOPLE AS OF THE EFFECTIVE DATE OF THIS PARAGRAPH (h);

(D) A LIMITED HEALTH BENEFIT PLAN OFFERED PURSUANT TO THIS PARAGRAPH (h) SHALL PROVIDE A TOTAL ANNUAL MAXIMUM BENEFIT AMOUNT OF AT LEAST THIRTY THOUSAND DOLLARS AND SHALL BE REVIEWED BY THE DIVISION PURSUANT TO SECTION 10-16-107; AND

(E) IN CONNECTION WITH OFFERING A LIMITED HEALTH BENEFIT PLAN, THE HEALTH MAINTENANCE ORGANIZATION SHALL COUNSEL ENROLLEES REGARDING THE AVAILABILITY IN THE MARKET OF CATASTROPHIC COVERAGE PLANS.

(II) A LIMITED HEALTH BENEFIT PLAN PURSUANT TO THIS PARAGRAPH (h) SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 10-16-104 REGARDING MANDATORY COVERAGE PROVISIONS AND, FOR PLANS OFFERED TO EMPLOYER GROUPS, WITH SMALL GROUP PLAN REQUIREMENTS AND RATE REGULATIONS AS SPECIFIED IN SECTIONS 10-16-105 AND 10-16-107.

(III) THE HEALTH MAINTENANCE ORGANIZATION SHALL PARTICIPATE IN AND COOPERATE WITH ANY REGIONAL ASSESSMENT OF CARE TO ASSIST IN UNDERSTANDING THE NEEDS AND ACCESS TO CARE IN THE AREAS IN WHICH LIMITED HEALTH BENEFIT PLANS ARE PERMITTED TO BE OFFERED PURSUANT TO THIS PARAGRAPH (h).

(IV) A HEALTH MAINTENANCE ORGANIZATION OFFERING A LIMITED HEALTH BENEFIT PLAN PURSUANT TO THIS PARAGRAPH (h) SHALL SUBMIT AN ANNUAL REPORT TO THE DIVISION OF INSURANCE CONTAINING AT LEAST THE FOLLOWING INFORMATION:

(A) THE NUMBER OF EMPLOYER GROUPS ENROLLED AND THE NUMBER OF LIVES COVERED UNDER A LIMITED HEALTH BENEFIT PLAN;

(B) THE PERCENTAGE OF ENROLLEES WHO, AT ENROLLMENT, WERE UNINSURED BETWEEN TWELVE AND TWENTY-FOUR MONTHS, AND THE NUMBER WHO WERE UNINSURED MORE THAN TWENTY-FOUR MONTHS;

(C) THE TOTAL MAXIMUM ANNUAL BENEFIT AMOUNT AVAILABLE TO ENROLLEES

UNDER THE LIMITED HEALTH BENEFIT PLAN AND THE NUMBER OF ENROLLEES WHO REACHED OR EXCEEDED THE MAXIMUM ANNUAL BENEFIT AMOUNT IN THE PRIOR YEAR;

(D) THE PERCENT OF THE PREMIUM AMOUNTS COLLECTED FROM ENROLLEES IN THE LIMITED HEALTH BENEFIT PLAN THAT IS SPENT ON PROVIDING BASIC HEALTH CARE SERVICES TO ENROLLEES AND THE PERCENT OF THE PREMIUM AMOUNTS SO COLLECTED THAT IS SPENT ON ADMINISTRATION OF THE LIMITED HEALTH BENEFIT PLAN;

(E) THE PERCENTAGE OF ENROLLEES WHO CONTINUE TO PARTICIPATE IN THE LIMITED HEALTH BENEFIT PLAN UPON RENEWAL; AND

(F) ANY OTHER INFORMATION REQUESTED BY THE COMMISSIONER.

(V) THIS PARAGRAPH (h) IS REPEALED, EFFECTIVE JULY 1, 2012.

SECTION 3. 10-16-407, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

10-16-407. Information to enrollees. (3) (a) A HEALTH MAINTENANCE ORGANIZATION THAT OFFERS BASIC HEALTH CARE SERVICES TO ENROLLEES THROUGH A LIMITED HEALTH BENEFIT PLAN PURSUANT TO SECTION 10-16-403 (1) (h) SHALL CLEARLY STATE IN ITS BROCHURES, CONTRACTS, POLICY MANUALS, AND PRINTED MATERIALS DISTRIBUTED TO ENROLLEES THE FOLLOWING INFORMATION:

(I) THAT A LIMITED HEALTH BENEFIT PLAN MAY IMPOSE A LIMIT ON THE TOTAL MAXIMUM BENEFIT AMOUNT AVAILABLE TO THE ENROLLEE ON AN ANNUAL BASIS AND ON THE TOTAL MAXIMUM BENEFIT AMOUNTS AVAILABLE FOR PARTICULAR HEALTH CARE SERVICES PROVIDED DURING A GIVEN YEAR;

(II) THE SPECIFIC AMOUNT OF THE ANNUAL TOTAL MAXIMUM BENEFIT AMOUNT AND THE ANNUAL TOTAL MAXIMUM AMOUNT FOR PARTICULAR HEALTH CARE SERVICES COVERED BY THE LIMITED HEALTH BENEFIT PLAN; AND

(III) THAT ONCE THE ENROLLEE RECEIVES THE TOTAL MAXIMUM AMOUNT OF BENEFITS UNDER THE LIMITED HEALTH BENEFIT PLAN IN ANY GIVEN YEAR, OR RECEIVES THE TOTAL MAXIMUM AMOUNT OF BENEFITS FOR A PARTICULAR HEALTH CARE SERVICE IN A GIVEN YEAR, THE ENROLLEE IS RESPONSIBLE FOR PAYING OUT-OF-POCKET FOR THE COSTS OF ANY HEALTH CARE SERVICES PROVIDED TO THE ENROLLEE DURING THAT YEAR THAT EXCEED THE TOTAL ANNUAL MAXIMUM BENEFIT AMOUNT OR THE TOTAL MAXIMUM BENEFIT AMOUNT FOR A PARTICULAR HEALTH CARE SERVICE, AS APPLICABLE.

(b) THE HEALTH MAINTENANCE ORGANIZATION SHALL ENSURE THAT THE INFORMATION REQUIRED BY THIS SUBSECTION (3) IS PROMINENTLY DISPLAYED, IN BOLD-FACED FONT IN AT LEAST FOURTEEN-POINT TYPE, ON ANY MATERIALS PROVIDED TO ENROLLEES.

(c) (I) EACH ENROLLEE WHO PARTICIPATES IN A LIMITED HEALTH BENEFIT PLAN SHALL SIGN THE FOLLOWING STATEMENT OF UNDERSTANDING INDICATING HIS OR

HER UNDERSTANDING OF THE LIMITATIONS OF THE PLAN:

STATEMENT OF UNDERSTANDING

I, _____, UNDERSTAND THAT I AM ENROLLING IN A LIMITED HEALTH BENEFIT PLAN THAT CONTAINS A TOTAL MAXIMUM ANNUAL AMOUNT OF BENEFITS AVAILABLE TO ME AND MY COVERED DEPENDENTS EACH PLAN YEAR FOR BASIC HEALTH CARE SERVICES. THE TOTAL MAXIMUM ANNUAL BENEFIT AMOUNT IS ____.

I UNDERSTAND THAT ONCE I RECEIVE THE TOTAL MAXIMUM AMOUNT OF BENEFITS UNDER THE LIMITED HEALTH BENEFIT PLAN IN A PLAN YEAR, I AM FULLY RESPONSIBLE FOR PAYING OUT-OF-POCKET FOR THE COSTS OR CHARGES FOR ANY HEALTH CARE SERVICES I OR MY COVERED DEPENDENTS RECEIVE DURING THE REMAINING PORTION OF THE PLAN YEAR.

I UNDERSTAND THAT I MAY EXHAUST MY TOTAL ANNUAL MAXIMUM BENEFIT AMOUNT WHILE I AM OR A COVERED DEPENDENT IS UNDERGOING TREATMENT FOR AN ILLNESS OR INJURY AND THAT I WILL BE RESPONSIBLE FOR PAYING THE COSTS OF TREATMENT PROVIDED AFTER I HAVE EXHAUSTED MY BENEFITS UNDER THE LIMITED HEALTH BENEFIT PLAN.

I UNDERSTAND THAT IF I EXHAUST MY TOTAL ANNUAL MAXIMUM BENEFIT AMOUNT IN A PLAN YEAR, I OR MY COVERED DEPENDENT MAY OR MAY NOT BE ELIGIBLE FOR THE STATE MEDICAID PROGRAM, THE COLORADO INDIGENT CARE PROGRAM, OR OTHER PUBLIC PROGRAMS, AND THAT IT IS SOLELY MY CHOICE AND RESPONSIBILITY TO INVESTIGATE MY OPTIONS AND ELIGIBILITY FOR PARTICIPATION IN ANY PUBLIC PROGRAM.

SIGNATURE OF ENROLLEE

DATE

(II) THE HEALTH MAINTENANCE ORGANIZATION SHALL RETAIN THE ORIGINAL, SIGNED STATEMENT OF UNDERSTANDING, SHALL PROVIDE A COPY TO THE ENROLLEE, AND SHALL MAKE THE STATEMENT AVAILABLE TO THE COMMISSIONER UPON REQUEST.

SECTION 4. Act subject to petition - effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, (August 5, 2009, if adjournment sine die is on May 6, 2009); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 16, 2009