

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

REVISED

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

LLS NO. 18-0287.01 Nicole Myers x4326

SENATE BILL 18-131

SENATE SPONSORSHIP

Tate, Martinez Humenik, Moreno, Zenzinger

HOUSE SPONSORSHIP

Hooton, Arndt, McKean, Thurlow

Senate Committees
Health & Human Services

House Committees
Health, Insurance, & Environment

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE "STATE EMPLOYEES GROUP**
102 **BENEFITS ACT".**

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/>.)

Statutory Revision Committee. The "State Employees Group Benefits Act" (act) authorizes the state personnel director (director) to enter into contracts with carriers to provide medical, dental, life, and disability benefits to state employees. The bill modifies several provisions of the act to bring it into compliance with current state and federal law and to eliminate obsolete provisions. Specifically, the bill:

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

HOUSE
2nd Reading Unamended
March 16, 2018

SENATE
3rd Reading Unamended
February 14, 2018

SENATE
Amended 2nd Reading
February 13, 2018

- ! To bring the act into compliance with federal law, changes the definition of "dependent" to include a child through the end of the month in which the child turns 26, eliminates the requirement that a child be a full-time student to be a dependent past the age of 19, eliminates the requirement that a child be unmarried to be a dependent, and eliminates the requirement that the employee be the major source of financial support or directed by a court to provide coverage for a child to be a dependent;
- ! Removes an employee's domestic partner from the definition of "dependent" as the director has repealed rules allowing a person to submit documentation demonstrating a domestic partnership with an employee;
- ! Removes a reference to lifetime maximum benefit per employee or employee's covered dependents to bring the act into compliance with federal law;
- ! Eliminates a provision requiring the director to give written notice of intent to seek a contract with insurance carriers, and authorizes the director to make such announcement in a manner that he or she determines;
- ! Eliminates an obsolete provision that required the director to evaluate the feasibility of offering a high deductible health plan and to forward the findings of the evaluation to the general assembly by October 1, 2004;
- ! Eliminates an obsolete provision that specified the amount of the state's contribution for each employee enrolled in group benefit plans for the 2003 calendar year; and
- ! Eliminates a requirement that the director hold a public hearing prior to the acceptance of any proposal for a group benefit plan, as this requirement is not in compliance with the "Procurement Code".

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 declares that the purpose of Senate Bill 18-131, enacted in 2018, is to
4 clarify language and repeal obsolete provisions in the "State Employees
5 Group Benefits Act", part 6 of article 50 of title 24, Colorado Revised
6 Statutes. The general assembly further declares that the addition of such
7 clarifying language to the "State Employees Group Benefits Act" will

1 bring the act into compliance with current state and federal law.

2 **SECTION 2.** In Colorado Revised Statutes, 24-50-603, **amend**
3 (5)(a); and **repeal** (5)(c) as follows:

4 **24-50-603. Definitions.** As used in this part 6, unless the context
5 otherwise requires:

6 (5) "Dependent" means:

7 (a) An employee's legal spouse; each ~~unmarried~~ child, including
8 adopted children, stepchildren, and foster children, through the end of the
9 month in which the child turns ~~nineteen~~ TWENTY-SIX years of age; ~~for~~
10 ~~whom the employee is the major source of financial support or for whom~~
11 ~~the employee is directed by court order to provide coverage; each~~
12 ~~unmarried child nineteen years of age, through the end of the month in~~
13 ~~which that child is no longer a full-time student in an educational or~~
14 ~~vocational institution, but no longer than through the end of the month in~~
15 ~~which the full-time student turns twenty-four years of age, and for whom~~
16 ~~the employee is the major source of financial support or for whom the~~
17 ~~employee is directed by court order to provide coverage; or an unmarried~~
18 child of any age who has either a physical or mental disability, as defined
19 by the carrier, not covered under other government programs, and for
20 whom the employee is the major source of financial support or for whom
21 the employee is directed by court order to provide coverage;

22 (c) ~~An employee's domestic partner, as authorized by the director~~
23 ~~by rule adopted in accordance with article 4 of this title, who has~~
24 ~~submitted documentation demonstrating a domestic partnership with an~~
25 ~~employee as required by such rules;~~

26 **SECTION 3.** In Colorado Revised Statutes, 24-50-605, **amend**
27 (1)(a) and (1)(b); and **repeal** (5) as follows:

1 **24-50-605. Group benefit plans - specifications - contracts.**

2 (1) (a) The specifications drawn by the director for any group benefit
3 plans include those benefits as determined by the director or as otherwise
4 specifically provided in this part 6. Such specifications shall include
5 provisions for noncancellation for reasons of health of any individual
6 employee by the carrier and transferability to other group benefit
7 coverages or individual policies with the same carrier by the employee.
8 ~~if such provisions do not limit the ability of the director to prepare~~
9 ~~specifications including a lifetime maximum benefit per employee or~~
10 ~~employee's covered dependents.~~

11 (b) At any time the director seeks to contract with any carriers
12 under this section, the director shall first give ~~written~~ notice of such intent
13 ~~through an announcement in a publication with statewide circulation~~ IN
14 A MANNER DETERMINED BY THE DIRECTOR.

15 ~~(5) The director shall evaluate the feasibility of offering a high~~
16 ~~deductible health plan that would qualify for a health savings account as~~
17 ~~described in 26 U.S.C. 223, as amended, for state employees. The director~~
18 ~~shall forward the findings based on such evaluation to the members of the~~
19 ~~health, environment, and institutions and business affairs and labor~~
20 ~~committees of the house of representatives and the senate no later than~~
21 ~~October 1, 2004. In the director's findings, the director shall list any~~
22 ~~impediments to implementing such high deductible health plans and any~~
23 ~~measures taken to implement such plans for state employees.~~

24 **SECTION 4.** In Colorado Revised Statutes, 24-50-608, **amend**
25 (4) as follows:

26 **24-50-608. Dependents - eligibility - election of coverage.** (4) If
27 a dependent is no longer eligible for coverage because the dependent

1 turned ~~twenty-five~~ TWENTY-SIX years old, the director shall remove the
2 dependent from the group benefit plan by the end of the month in which
3 the dependent turned ~~twenty-five~~ TWENTY-SIX years old. If the director
4 fails to remove the ineligible dependent, the employee and the employee's
5 department shall not be directly financially liable for the premiums paid
6 for the dependent coverage if no claims have been paid for the ineligible
7 dependent. If the director fails to remove the ineligible dependent and a
8 claim has been paid for the ineligible dependent, the employee and the
9 employee's department shall not be directly financially liable for the paid
10 claim. The costs for premiums and claims paid may be paid from the
11 group benefit plans reserve fund established in section 24-50-613.

12 **SECTION 5.** In Colorado Revised Statutes, 24-50-609, **repeal**
13 (2)(b)(II) as follows:

14 **24-50-609. State contributions - supplemental state**
15 **contribution fund - creation.** (2) (b) (II) ~~Effective December 1, 2002,~~
16 ~~for the 2003 calendar year, the state of Colorado shall contribute an~~
17 ~~amount necessary to pay one hundred sixty-six dollars and twelve cents~~
18 ~~per month per single employee, two hundred thirty-nine dollars and~~
19 ~~fifteen cents per month per employee with one covered dependent, and~~
20 ~~three hundred twenty-eight dollars and eighty-seven cents per month per~~
21 ~~employee with two or more covered dependents for each employee~~
22 ~~enrolled in group benefit plans that include enrollment in medical~~
23 ~~benefits. The amounts specified in this subparagraph (II) may be adjusted~~
24 ~~for future years in accordance with subparagraph (I) of this paragraph (b)~~
25 ~~and section 24-50-104 (4).~~

26 **SECTION 6.** In Colorado Revised Statutes, 24-50-612, **repeal** (3)
27 as follows:

1 **24-50-612. Administrative duties.** (3) ~~The director shall hold a~~
2 ~~public hearing prior to the acceptance of any proposal for a group benefit~~
3 ~~plan. Notice of the hearing shall be given at least fourteen days in~~
4 ~~advance by mailing such notice to persons on the list maintained by the~~
5 ~~department of personnel pursuant to section 24-4-103 (3)(b).~~

6 **SECTION 7. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly (August
9 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2018 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.