

1 THE INDIVIDUAL IS NO LONGER ELIGIBLE OR COVERED BECAUSE THE
2 INDIVIDUAL LEFT EMPLOYMENT WITHOUT NOTICE TO THE EMPLOYER OR
3 THE INDIVIDUAL IS AN EMPLOYEE WHOSE EMPLOYMENT WAS TERMINATED
4 FOR GROSS MISCONDUCT.

5 (b) SUBSECTION (1)(a)(III) OF THIS SECTION DOES NOT APPLY IF A
6 DEPENDENT IS NO LONGER COVERED BECAUSE THE DEPENDENT BECOMES
7 ENROLLED IN THE CHILDREN'S BASIC HEALTH PLAN, ESTABLISHED
8 PURSUANT TO ARTICLE 8 OF TITLE 25.5. IF THE DEPENDENT BECOMES
9 ENROLLED IN THE CHILDREN'S BASIC HEALTH PLAN, THE POLICYHOLDER
10 SHALL NOTIFY THE CARRIER OF THE CHANGE IN COVERAGE AT LEAST
11 THIRTY DAYS PRIOR TO THE DATE THAT THE DEPENDENT IS NO LONGER
12 COVERED.

13 (c) IF THE POLICYHOLDER NOTIFIES THE CARRIER WITHIN THE
14 TEN-DAY PERIOD PURSUANT TO SUBSECTION (1)(a)(III) OF THIS SECTION,
15 THE CARRIER IS NOT REQUIRED TO PROVIDE BENEFITS TO THE INDIVIDUAL
16 AFTER THE DATE THAT THE INDIVIDUAL IS NO LONGER ELIGIBLE OR
17 COVERED UNDER THE POLICY.

18 (d) NOTHING IN THIS SUBSECTION (1) PRECLUDES A CARRIER AND
19 POLICYHOLDER FROM AGREEING TO A DATE OTHER THAN A DATE SPECIFIED
20 IN SUBSECTION (1)(a)(III) OF THIS SECTION.

21 (e) FOR THE PURPOSES OF THIS SUBSECTION (1), "GROSS
22 MISCONDUCT" MEANS A DELIBERATE WRONGDOING BY THE EMPLOYEE
23 THAT FUNDAMENTALLY UNDERMINES THE RELATIONSHIP OF TRUST AND
24 CONFIDENCE BETWEEN THE EMPLOYER AND EMPLOYEE.

25 **SECTION 2.** In Colorado Revised Statutes, 10-16-704, **amend**
26 (4.5)(f) and (4.5)(j) as follows:

27 **10-16-704. Network adequacy - rules - legislative declaration.**

28 (4.5) (f) A carrier shall not retroactively adjust a claim based on
29 eligibility if the provider received verification of eligibility within two
30 business days prior to the delivery of services, UNLESS THE
31 POLICYHOLDER NOTIFIED THE CARRIER OF AN INDIVIDUAL'S INELIGIBILITY
32 PURSUANT TO SECTION 10-16-103.5 (1).

33 (j) A carrier shall not retroactively adjust a claim based on
34 eligibility if the provision of benefits is a required policy provision
35 pursuant to section 10-16-202 (4) or ~~section~~ 10-16-214 (3), UNLESS THE
36 POLICYHOLDER NOTIFIED THE CARRIER OF AN INDIVIDUAL'S INELIGIBILITY
37 PURSUANT TO SECTION 10-16-103.5 (1).

38 **SECTION 3. Act subject to petition - effective date -**
39 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
40 the expiration of the ninety-day period after final adjournment of the
41 general assembly (August 2, 2019, if adjournment sine die is on May 3,

1 2019); except that, if a referendum petition is filed pursuant to section 1
2 (3) of article V of the state constitution against this act or an item, section,
3 or part of this act within such period, then the act, item, section, or part
4 will not take effect unless approved by the people at the general election
5 to be held in November 2020 and, in such case, will take effect on the
6 date of the official declaration of the vote thereon by the governor.
7 (2) This act applies to contracts entered into or renewed or claims
8 filed on or after the applicable effective date of this act."

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