

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

INTRODUCED

LLS NO. 17-0866.01 Kip Kolkmeier x4510 & Yelana Love x2295 **SENATE BILL 17-133**

SENATE SPONSORSHIP

Tate,

HOUSE SPONSORSHIP

Young,

Senate Committees
Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING COMPLAINTS BY HEALTH CARE PROVIDERS TO THE**
102 **COMMISSIONER OF INSURANCE REGARDING THE IMPROPER**
103 **HANDLING OF BENEFIT CLAIMS BY HEALTH INSURANCE**
104 **CARRIERS, AND, IN CONNECTION THEREWITH, REQUIRING**
105 **ADDITIONAL REPORTING BY THE COMMISSIONER TO THE**
106 **GENERAL ASSEMBLY, REQUIRING A DETERMINATION BY THE**
107 **COMMISSIONER OF UNFAIR OR DECEPTIVE HEALTH INSURANCE**
108 **CARRIER PRACTICES, AND IMPOSING PENALTIES.**

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

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.

<http://leg.colorado.gov>.)

Currently, the commissioner of insurance may investigate complaints by health care providers regarding the improper handling or denial of benefits by a health insurance company. The bill requires the commissioner to investigate provider complaints and notify the provider of the results of the investigation. The commissioner is directed to include information on provider complaints in an existing annual report to the general assembly. The commissioner must determine if there is a pattern of misconduct by a health insurance company and, if there is a pattern, must impose an appropriate remedy or penalty as an unfair or deceptive practice.

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

2 **SECTION 1.** In Colorado Revised Statutes, 10-3-1104, **amend**
3 (1)(h)(XVII); and **add** (1)(h)(XVIII) as follows:

4 **10-3-1104. Unfair methods of competition - unfair or deceptive**
5 **acts or practices.** (1) The following are defined as unfair methods of
6 competition and unfair or deceptive acts or practices in the business of
7 insurance:

8 (h) Unfair claim settlement practices: Committing or performing,
9 either in willful violation of this part 11 or with such frequency as to
10 indicate a tendency to engage in a general business practice, any of the
11 following:

12 (XVII) Failing to adopt and implement reasonable standards for
13 the prompt resolution of medical payment claims; OR

14 (XVIII) ENGAGING IN A PATTERN OR PRACTICE OF IMPROPER
15 HANDLING OR DENIAL OF BENEFITS TO PROVIDERS AS DESCRIBED IN
16 SECTION 10-16-106.5 (9).

17 **SECTION 2.** In Colorado Revised Statutes, 10-16-106.5, **amend**
18 (9) as follows:

19 **10-16-106.5. Processing of medical provider claims - legislative**

1 **declaration - rules - medical provider complaints - enforcement.**

2 (9) The commissioner ~~may~~ SHALL investigate ~~claims~~ A COMPLAINT
3 against a health ~~coverage plan~~ INSURANCE CARRIER that is authorized to
4 conduct business in this state when ~~such claims are~~ filed by a provider
5 related to the improper handling OF CLAIMS or denial of benefits pursuant
6 to this section. THE COMMISSIONER SHALL NOTIFY THE PROVIDER WHEN
7 THE INVESTIGATION IS COMPLETE AND SHALL INFORM THE PROVIDER OF
8 THE FACTS AND CONCLUSIONS RESULTING FROM THE INVESTIGATION. THE
9 COMMISSIONER SHALL REVIEW ALL COMPLAINTS REPORTED TO THE
10 GENERAL ASSEMBLY PURSUANT TO SECTION 10-16-128 AND SHALL
11 DETERMINE IF THERE IS A PATTERN OR PRACTICE BY A HEALTH INSURANCE
12 CARRIER OF IMPROPER HANDLING OF CLAIMS OR DENIAL OF BENEFITS TO
13 CONSUMERS OR PROVIDERS. IF THE COMMISSIONER DETERMINES THERE IS
14 A PATTERN OR PRACTICE, THE COMMISSIONER SHALL IMPOSE THE
15 APPROPRIATE REMEDY OR PENALTY PURSUANT TO ARTICLE 3 OF THIS TITLE
16 10.

17 **SECTION 3.** In Colorado Revised Statutes, **amend** 10-16-128 as
18 follows:

19 **10-16-128. Annual report to general assembly.**
20 NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), the commissioner shall
21 report to the business affairs and labor committee of the house of
22 representatives and the business, labor, and technology committee of the
23 senate, or any successor committees, no later than October 1, 2004, and
24 every October 1 thereafter. The report shall be an indication of the
25 number, nature, and outcome of complaints against insurers during the
26 preceding twelve months, INCLUDING ALL COMPLAINTS FILED BY
27 PROVIDERS PURSUANT TO SECTION 10-16-106.5 (9).

1 **SECTION 4. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly (August
4 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
5 referendum petition is filed pursuant to section 1 (3) of article V of the
6 state constitution against this act or an item, section, or part of this act
7 within such period, then the act, item, section, or part will not take effect
8 unless approved by the people at the general election to be held in
9 November 2018 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.