

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

REVISED

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

LLS NO. 19-0693.01 Kristen Forrestal x4217

SENATE BILL 19-041

SENATE SPONSORSHIP

Smallwood, Cooke, Coram, Court, Crowder, Holbert, Marble, Moreno, Priola, Scott, Tate, Williams A.

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING A REQUIRED CONTRACT PROVISION REGARDING THE**
102 **PAYMENT OF PREMIUMS BY A POLICYHOLDER TO A HEALTH**
103 **INSURANCE CARRIER FOR EACH INDIVIDUAL COVERED UNDER A**
104 **HEALTH INSURANCE POLICY.**

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>.)

Current law requires a contract between a health insurance carrier and a policyholder to contain a provision that requires the policyholder to pay premiums for each individual covered under the policy through the

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
Amended 2nd Reading
March 15, 2019

SENATE
3rd Reading Unamended
February 21, 2019

SENATE
Amended 2nd Reading
February 20, 2019

date that the policyholder notifies the carrier that an individual covered under the policy is no longer covered. The bill requires the contract to state that, in the alternative, the policyholder is required to pay premiums to the carrier through the date that the individual covered under the policy is no longer eligible or covered if the policyholder notifies the carrier within 10 business days after the date of ineligibility or noncoverage.

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

2 **SECTION 1. In Colorado Revised Statutes, 10-16-103.5, amend**

3 (1) as follows:

4 **10-16-103.5. Payment of premiums - required term in contract**

5 **- rules. (1) (a) Every contract FOR A HEALTH BENEFIT PLAN between a**
6 **carrier and a policyholder shall contain a provision that requires a**
7 **REQUIRE THE policyholder to pay premiums FOR EACH INDIVIDUAL**
8 **COVERED UNDER THE POLICYHOLDER'S POLICY:**

9 **(a) (I) For each individual covered under the policyholder's policy**

10 **Through the date that the policyholder notifies the carrier that the**
11 **individual covered under the policy is no longer eligible or covered;**
12 **except that, if a dependent is no longer covered because the dependent**
13 **becomes enrolled in the children's basic health plan, established pursuant**
14 **to article 8 of title 25.5, C.R.S., the policyholder shall notify the carrier**
15 **of the change in coverage at least thirty days prior to the date that the**
16 **dependent is no longer covered; or**

17 **(b) (II) Through the date that the policyholder notifies the carrier**

18 **that the policyholder no longer intends to maintain coverage for the group**
19 **through the carrier; OR**

20 **(III) THROUGH THE DATE THAT THE INDIVIDUAL COVERED UNDER**

21 **THE POLICY IS NO LONGER ELIGIBLE OR COVERED IF THE POLICYHOLDER**
22 **NOTIFIES THE CARRIER WITHIN TEN BUSINESS DAYS AFTER THE DATE THAT**

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, UNLESS THE INDIVIDUAL ELECTS TO
18 CONTINUE HEALTH INSURANCE COVERAGE PURSUANT TO THE
19 "CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985", 29
20 U.S.C. SEC. 1161 ET SEQ., AS AMENDED, OR SECTION 10-16-108.

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

24 (e) THE COMMISSIONER MAY PROMULGATE RULES CONCERNING
25 THE ELIGIBILITY NOTIFICATIONS IN THIS SUBSECTION (1) IN ORDER TO
26 ENSURE CONSISTENCY AMONG POLICYHOLDERS AND CARRIERS.

27 (f) FOR THE PURPOSES OF THIS SUBSECTION (1), "GROSS

1 MISCONDUCT" MEANS A DELIBERATE WRONGDOING BY THE EMPLOYEE
2 THAT FUNDAMENTALLY UNDERMINES THE RELATIONSHIP OF TRUST AND
3 CONFIDENCE BETWEEN THE EMPLOYER AND EMPLOYEE.

4 **SECTION 2. In Colorado Revised Statutes, 10-16-704, amend**
5 **(4.5)(f) and (4.5)(j) as follows:**

6 **10-16-704. Network adequacy - rules - legislative declaration.**
7 **(4.5) (f) A carrier shall not retroactively adjust a claim based on**
8 **eligibility if the provider received verification of eligibility within two**
9 **business days prior to the delivery of services, UNLESS THE**
10 **POLICYHOLDER NOTIFIED THE CARRIER OF AN INDIVIDUAL'S INELIGIBILITY**
11 **PURSUANT TO SECTION 10-16-103.5 (1).**

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

17 **SECTION 3. Act subject to petition - effective date -**
18 **applicability. (1) This act takes effect at 12:01 a.m. on the day following**
19 **the expiration of the ninety-day period after final adjournment of the**
20 **general assembly (August 2, 2019, if adjournment sine die is on May 3,**
21 **2019); except that, if a referendum petition is filed pursuant to section 1**
22 **(3) of article V of the state constitution against this act or an item, section,**
23 **or part of this act within such period, then the act, item, section, or part**
24 **will not take effect unless approved by the people at the general election**
25 **to be held in November 2020 and, in such case, will take effect on the**
26 **date of the official declaration of the vote thereon by the governor.**

- 1 (2) This act applies to contracts entered into or renewed or claims
- 2 filed on or after the applicable effective date of this act.