



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 19-041

FINAL FISCAL NOTE

Drafting Number:	LLS 19-0693	Date:	August 5, 2019
Prime Sponsors:	Sen. Smallwood Rep. Kraft-Tharp	Bill Status:	Signed into Law
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Bill Topic: HEALTH INSURANCE CONTRACT CARRIER & POLICYHOLDER

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill modifies a required provision in health insurance contracts which will allow policyholders to pay premiums only through the date that a covered individual becomes ineligible or uncovered under certain circumstances if they notify carriers within 10 days of that date. The bill may minimally increase workload in FY 2019-20 only.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, health insurance policyholders are required to pay premiums for each individual or group covered under a policy through the date that the policyholder notifies the carrier that a covered individual or group becomes ineligible or no longer covered. The bill allows policyholders to pay premiums only through the date of ineligibility or non-coverage if a carrier is notified within 10 business days after that date under the following circumstances:

- the individual is no longer eligible or covered because they left employment without notice to the employer; or
- the individual is an employee whose employment was terminated for gross misconduct, as defined in the bill.

When a covered individual leaves a policy because they become enrolled in the Children's Basic Health Plan, the policyholder must notify the carrier of the change at least 30 days prior to the date that the dependent is no longer covered.

The Commissioner of Insurance may promulgate rules concerning notifications in order to ensure consistency.

State Expenditures

The Division of Insurance (DOI) in the Department of Regulatory Agencies conducts reviews of health insurance rate filings for individual, small group, and large group plans. To the extent that action related to compliance with this bill is reflected in carriers' rate filings, the DOI will review that information in the course of its work reviewing filings with a minimal increase in workload and without the need for a change in appropriations.

Effective Date

The bill was signed into law by the Governor and took effect on April 8, 2019.

State and Local Government Contacts

Colorado Health Benefit Exchange
Health Care Policy and Financing
Information Technology

Regulatory Agencies
Personnel
Law