

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

REVISED

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

LLS NO. 24-0623.01 Christopher McMichael x4775

SENATE BILL 24-073

SENATE SPONSORSHIP

Smallwood and Rodriguez, Bridges, Buckner, Cutter, Exum, Ginal, Hansen, Kirkmeyer, Mullica, Priola

HOUSE SPONSORSHIP

Velasco and Titone,

Senate Committees
Health & Human Services

House Committees
Health & Human Services

A BILL FOR AN ACT

101 **CONCERNING A CHANGE TO THE MAXIMUM NUMBER OF EMPLOYEES**
102 **THAT AN EMPLOYER MAY EMPLOY TO QUALIFY AS A SMALL**
103 **EMPLOYER FOR HEALTH-CARE INSURANCE COVERAGE.**

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>.)

For the purposes of providing health insurance coverage, current law defines a "small employer" as any individual, firm, corporation, partnership, or association that employs between one and 100 employees during a calendar year. Effective January 1, 2026, the bill amends the definition to define a "small employer" as any person that employs

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

HOUSE
Amended 2nd Reading
April 3, 2024

SENATE
3rd Reading Unamended
February 26, 2024

SENATE
2nd Reading Unamended
February 23, 2024

between one and 50 employees during a calendar year.

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

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-102, **amend**
3 (40.5)(a) introductory portion, (40.5)(a)(II), (61)(b) introductory portion,
4 and (61)(b)(II) as follows:

5 **10-16-102. Definitions.** As used in this article 16, unless the
6 context otherwise requires:

7 (40.5) (a) "Large employer" means any person ~~firm, corporation,~~
8 ~~partnership, or association~~ that:

9 (II) Employed an average of more than ~~one hundred~~ FIFTY eligible
10 employees on business days during the immediately preceding calendar
11 year, except as provided in subsection (40.5)(c) of this section; and

12 (61) (b) ~~Effective January 1, 2016,~~ "Small employer" means any
13 person ~~firm, corporation, partnership, or association~~ that:

14 (II) Employed an average of at least one but not more than ~~one~~
15 ~~hundred~~ FIFTY eligible employees on business days during the
16 immediately preceding calendar year, except as provided in ~~paragraph (c)~~
17 ~~of this subsection (61)~~ SUBSECTION (61)(e) OF THIS SECTION; and

18 **SECTION 2.** In Colorado Revised Statutes, 10-16-105.1, **amend**
19 (3.5) as follows:

20 **10-16-105.1. Guaranteed renewability - exceptions - individual**
21 **and small employer health benefit plans - rules.** (3.5) (a) If a carrier
22 issues a small group health benefit plan to a small employer that, at the
23 time the plan was issued, was a small employer but subsequently employs
24 more than ~~one hundred~~ FIFTY eligible employees, this article 16 and any
25 rules promulgated by the commissioner concerning small group health

1 benefit plans continue to apply to the health benefit plan as long as the
2 employer renews its current small group health benefit plan or a similar
3 plan offered by the carrier pursuant to subsection (3.5)(b) of this section,
4 in accordance with the renewal requirements applicable to other small
5 group health benefit plans subject to this article 16 and rules promulgated
6 by the commissioner pursuant to this article 16.

7 (b) If a small employer was issued a small group health benefit
8 plan and subsequently employs more than ~~one hundred~~ FIFTY employees
9 and the employer opts to renew the small group health benefit plan, the
10 carrier that issued the small group health benefit plan shall offer the
11 employer the same small group health benefit plan or, if the same plan is
12 no longer being offered to any small employer, a similar small group
13 health benefit plan that the carrier offers to other small employers.

14 (c) A carrier that issued a small group health benefit plan to a
15 small employer shall notify the employer, within sixty days after
16 becoming aware that the employer employs more than ~~one hundred~~ FIFTY
17 employees, but no later than the anniversary date of the issuance of the
18 employer's health benefit plan, that the provisions of Colorado law
19 governing small group health benefit plans will cease to apply to the
20 employer if the employer fails to renew its current small group health
21 benefit plan or elects to enroll in a different health benefit plan.

22 (d) (I) IF AN EMPLOYER WAS ISSUED A SMALL GROUP HEALTH
23 BENEFIT PLAN BEFORE JANUARY 1, 2026, AND EMPLOYS BETWEEN
24 FIFTY-ONE AND ONE HUNDRED EMPLOYEES, THE EMPLOYER MAY ELECT TO
25 REMAIN IN THE SMALL GROUP HEALTH BENEFIT MARKET FOR FIVE YEARS
26 AFTER THE DATE OF THE ISSUANCE OF THE EMPLOYER'S EXISTING HEALTH
27 BENEFIT PLAN OR ELECT TO ENTER THE LARGE GROUP HEALTH BENEFIT

1 MARKET AT THE EXPIRATION OF THE EMPLOYER'S EXISTING HEALTH
2 BENEFIT PLAN.

3 (II) (A) AN EMPLOYER THAT WAS ISSUED A SMALL GROUP HEALTH
4 BENEFIT PLAN BEFORE JANUARY 1, 2026, AND EMPLOYS BETWEEN
5 FIFTY-ONE AND ONE HUNDRED EMPLOYEES MAY SWITCH BETWEEN SMALL
6 GROUP HEALTH BENEFIT PLANS BEING OFFERED BY THE CARRIER FOR FIVE
7 YEARS AFTER THE DATE OF THE ISSUANCE OF THE EMPLOYER'S HEALTH
8 BENEFIT PLAN.

9 (B) AN EMPLOYER THAT SWITCHES BETWEEN SMALL GROUP
10 HEALTH BENEFIT PLANS OFFERED BY THE CARRIER MUST SWITCH TO A
11 SMALL GROUP HEALTH BENEFIT PLAN THAT IS ONE METAL LEVEL ABOVE OR
12 BELOW THE EMPLOYER'S EXISTING SMALL GROUP HEALTH BENEFIT PLAN.

13 (III) IF AN EMPLOYER THAT WAS ISSUED A SMALL GROUP HEALTH
14 BENEFIT PLAN BEFORE JANUARY 1, 2026, AND EMPLOYS BETWEEN
15 FIFTY-ONE AND ONE HUNDRED EMPLOYEES ELECTS TO ENTER THE LARGE
16 GROUP HEALTH BENEFIT MARKET AND NOT TO CONTINUE RECEIVING
17 COVERAGE UNDER A SMALL GROUP HEALTH BENEFIT PLAN BEFORE THE
18 EXPIRATION OF THE FIVE-YEAR PERIOD DESCRIBED IN SUBSECTION
19 (3.5)(d)(I) OF THIS SECTION, THE EMPLOYER MAY NOT SWITCH BACK TO
20 RECEIVING SMALL GROUP HEALTH BENEFIT COVERAGE WITHIN THE
21 FIVE-YEAR PERIOD AND IS CLASSIFIED AS A LARGE EMPLOYER, AS DEFINED
22 IN SECTION 10-16-102 (40.5).

23 (e) (I) ON OR BEFORE JULY 1, 2025, CARRIERS OFFERING SMALL
24 GROUP HEALTH BENEFIT PLANS SHALL SUBMIT TO THE COMMISSIONER TWO
25 RATE FILINGS FOR PLAN YEAR 2026. THE TWO RATE FILINGS MUST
26 DEMONSTRATE THE IMPACT OF SENATE BILL 24-073, ENACTED IN 2024, ON
27 PREMIUMS FOR SMALL GROUP HEALTH BENEFIT PLANS FOR EMPLOYERS

1 WITH FEWER THAN FIFTY-ONE ELIGIBLE EMPLOYEES.

2 (II) THIS SUBSECTION (3.5), SECTION 10-16-102 (40.5) AND (61),
3 AND SECTION 10-16-1401 (15), AS AMENDED BY SENATE BILL 24-073,
4 ENACTED IN 2024, WILL BE REPEALED IF THE RATE FILINGS SUBMITTED BY
5 CARRIERS PURSUANT TO SUBSECTION (3.5)(e)(I) OF THIS SECTION
6 DEMONSTRATE THAT THE PREMIUMS FOR THE MAJORITY OF INDIVIDUALS
7 COVERED BY SMALL GROUP HEALTH BENEFIT PLANS WOULD INCREASE BY
8 MORE THAN THREE PERCENT AFTER ACCOUNTING FOR NORMAL PREMIUM
9 TRENDS FOR SMALL GROUP HEALTH BENEFIT PLANS.

10 (III) THE COMMISSIONER SHALL NOTIFY THE REVISOR OF STATUTES
11 IN WRITING OF THE DATE WHEN THE CONDITIONS SPECIFIED IN SUBSECTION
12 (3.5)(e)(II) OF THIS SECTION HAVE OCCURRED BY E-MAILING THE NOTICE
13 TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS SUBSECTION (3.5),
14 SECTION 10-16-102 (40.5) AND (61), AND SECTION 10-16-1401 (15), AS
15 AMENDED BY SENATE BILL 24-073, ENACTED IN 2024, ARE REPEALED
16 UPON THE DATE IDENTIFIED IN THE NOTICE THAT THE CONDITIONS
17 SPECIFIED IN SUBSECTION (3.5)(e)(II) OF THIS SECTION HAVE OCCURRED
18 OR, IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE
19 NOTICE TO THE REVISOR OF STATUTES.

20 (IV) NOTWITHSTANDING SECTION 10-16-155, THE COMMISSIONER
21 SHALL UTILIZE RESOURCES ALLOCATED FOR ACTUARIAL REVIEW
22 PURSUANT TO SECTION 10-16-155 TO ANALYZE THE RATE FILINGS
23 SUBMITTED BY CARRIERS PURSUANT TO SUBSECTION (3.5)(e)(I) OF THIS
24 SECTION.

25 **SECTION 3.** In Colorado Revised Statutes, 10-16-155, **amend**
26 **(9)** as follows:

27 **10-16-155. Actuarial reviews of proposed health-care**

1 **legislation - division to contract with third parties - required**
2 **considerations - confidentiality - limits on expenditures - rate filings**
3 **- repeal.** (9) (a) Notwithstanding any other provision of this section to
4 the contrary, the division shall not engage any contractor to perform an
5 actuarial review as described in this section unless the division determines
6 that there are adequate resources available within existing appropriations
7 to compensate the contractor for the actuarial review.

8 (b) AFTER JULY 1, 2025, THE DIVISION SHALL USE RESOURCES
9 ALLOCATED FOR ACTUARIAL REVIEWS OF LEGISLATIVE PROPOSALS
10 PURSUANT TO THIS SECTION FOR THE REVIEW OF RATE FILINGS FILED WITH
11 THE COMMISSIONER PURSUANT TO SECTION 10-16-105.1 (3.5)(e).

12 (c) IN THE EVENT THAT THE DIVISION DETERMINES THERE ARE NOT
13 ADEQUATE RESOURCES AVAILABLE WITHIN EXISTING APPROPRIATIONS TO
14 COMPENSATE THE CONTRACTOR FOR AN ACTUARIAL REVIEW IN
15 ACCORDANCE WITH SUBSECTION (9)(a) OF THIS SECTION, THE DIVISION
16 SHALL PRIORITIZE RESOURCES TO ENSURE THAT AN ACTUARIAL REVIEW OF
17 THE RATE FILINGS SUBMITTED TO THE COMMISSIONER PURSUANT SECTION
18 10-16-105.1 (3.5)(e) OCCURS BEFORE DECEMBER 31, 2025.

19 **SECTION 4.** In Colorado Revised Statutes, 10-16-1401, **amend**
20 (15)(a) introductory portion and (15)(a)(II) as follows:

21 **10-16-1401. Definitions.** As used in this part 14, unless the
22 context otherwise requires:

23 (15) (a) "Large employer" means any person ~~firm, corporation,~~
24 ~~partnership, or association~~ that:

25 (II) Employed an average of more than ~~one hundred~~ FIFTY eligible
26 employees on business days during the immediately preceding calendar
27 year, except as provided in subsection (15)(c) of this section; and

1 **SECTION 5. Effective date.** This act takes effect January 1,
2 2026; except that section 10-16-105.1 (3.5)(e), Colorado Revised
3 Statutes, as enacted in section 2 of this act, and sections 3, 5, and 6 of this
4 act take effect upon passage.

5 **SECTION 6. Safety clause.** The general assembly finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, or safety or for appropriations for
8 the support and maintenance of the departments of the state and state
9 institutions.