

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-1028.02 Kristen Forrestal x4217

HOUSE BILL 24-1258

HOUSE SPONSORSHIP

Brown and Boesenecker,

SENATE SPONSORSHIP

(None),

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CREDIT FOR THE OUT-OF-POCKET EXPENSES PAID BY A**
102 **COVERED PERSON WHEN A HEALTH INSURANCE CARRIER EXITS**
103 **THE MARKET.**

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 small group and individual health benefit plans, if an individual who is entitled to receive benefits or services under a health benefit plan has incurred any out-of-pocket expenses, including payments for a deductible or other coinsurance amount, under the health benefit plan during a plan year, and the individual's health insurance carrier exits

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.

the health insurance market and can no longer provide coverage to the individual, the bill requires the individual's new health insurance carrier to credit all of the out-of-pocket expenses paid by the individual in accordance with the original health benefit plan in the given plan year to the new health benefit plan if the individual enrolls in the new health benefit plan in the established special enrollment period.

The bill grants rule-making authority to the commissioner of insurance.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-16-105.9 as
3 follows:

4 **10-16-105.9. Health benefit plan - carrier insolvency - covered**
5 **persons - deductible amounts - rules - definition.** (1) AS USED IN THIS
6 SECTION, "OUT-OF-POCKET EXPENSES" MEANS ANY EXPENSES PAID BY A
7 COVERED PERSON FOR MEDICAL SERVICES AND PRESCRIPTIONS DRUGS,
8 INCLUDING ANY COINSURANCE AMOUNTS. "OUT-OF-POCKET EXPENSES"
9 DOES NOT INCLUDE PREMIUM PAYMENTS MADE FOR A HEALTH BENEFIT
10 PLAN.

11 (2) FOR SMALL GROUP PLANS AND INDIVIDUAL HEALTH BENEFIT
12 PLANS, IF A COVERED PERSON HAS PAID ANY OUT-OF-POCKET EXPENSES
13 FOR SERVICES COVERED BY A HEALTH BENEFIT PLAN IN A GIVEN PLAN
14 YEAR, AND THE CARRIER THAT PROVIDES THE HEALTH BENEFIT PLAN TO
15 THE COVERED PERSON EXITS THE HEALTH INSURANCE MARKET AND CAN
16 NO LONGER PROVIDE HEALTH INSURANCE BENEFITS TO THAT PERSON
17 DURING THE SAME PLAN YEAR, A CARRIER OF A NEW HEALTH BENEFIT PLAN
18 THAT COVERS THE PERSON DURING THE SAME PLAN YEAR SHALL CREDIT
19 ALL OF THE OUT-OF-POCKET EXPENSES PAID BY THE COVERED PERSON TO
20 THE NEW HEALTH BENEFIT PLAN.

21 (3) IF A COVERED PERSON'S OUT-OF-POCKET EXPENSES FOR

1 COVERAGE UNDER THE ORIGINAL HEALTH BENEFIT PLAN WERE GREATER
2 THAN THE COINSURANCE AMOUNTS REQUIRED BY THE NEW CARRIER, THE
3 NEW CARRIER IS NOT REQUIRED TO APPLY THE AMOUNT IN EXCESS TO THE
4 NEW HEALTH BENEFIT PLAN.

5 (4) FOR INDIVIDUAL HEALTH BENEFIT PLANS, THIS SECTION APPLIES
6 ONLY IF THE COVERED PERSON MEETS THE SPECIAL ENROLLMENT PERIOD
7 FOR A TRIGGERING EVENT ESTABLISHED PURSUANT TO SECTION
8 10-16-105.7 (3).

9 (5) THE COMMISSIONER SHALL PROMULGATE RULES TO IMPLEMENT
10 THIS SECTION THAT INCLUDE PROTOCOLS FOR EACH CARRIER TO FOLLOW
11 WHEN APPLYING OUT-OF-POCKET EXPENSES PAID BY A COVERED PERSON
12 TO A NEW HEALTH BENEFIT PLAN. THE PROTOCOLS MUST BE BASED ON THE
13 OUT-OF-POCKET MAXIMUM AMOUNTS, AS DESCRIBED IN SECTION
14 10-16-161, FROM THE DIVISION. THE COMMISSIONER SHALL WORK WITH
15 THE EXCHANGE TO DEVELOP THE PROTOCOLS.

16 **SECTION 2. Act subject to petition - effective date -**
17 **applicability.** (1) This act takes effect January 1, 2025; except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against this act or an item, section, or part of this act
20 within the ninety-day period after final adjournment of the general
21 assembly, then the act, item, section, or part will not take effect unless
22 approved by the people at the general election to be held in November
23 2024 and, in such case, will take effect January 1, 2025, or on the date of
24 the official declaration of the vote thereon by the governor, whichever is
25 later.

26 (2) This act applies to health benefit plans issued or renewed on
27 or after the applicable effective date of this act.