

CHAPTER 239

INSURANCE

HOUSE BILL 97-1161

BY REPRESENTATIVES Kreutz, Epps, Gotlieb, Hagedorn, Keller, Lawrence, and Leyba;
also SENATOR Hopper.

AN ACT

CONCERNING THE PROCEDURE FOR DENIAL OF BENEFITS BY A HEALTH COVERAGE PLAN PURSUANT TO
A UTILIZATION REVIEW.

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

SECTION 1. Part 1 of article 16 of title 10, Colorado Revised Statutes, 1994 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-113. Procedure for denial of benefits. (1) A HEALTH COVERAGE PLAN SHALL NOT MAKE A DETERMINATION THAT IT WILL DENY A REQUEST FOR REIMBURSEMENT FOR OR COVERAGE OF MEDICAL TREATMENT OR OTHER BENEFITS FOR A COVERED INDIVIDUAL ON THE GROUNDS THAT SUCH TREATMENT OR COVERED BENEFIT IS NOT MEDICALLY NECESSARY, APPROPRIATE, EFFECTIVE, OR EFFICIENT UNLESS SUCH DENIAL IS MADE PURSUANT TO THIS SECTION.

(2) FOLLOWING A DENIAL BY THE HEALTH COVERAGE PLAN, SUCH PLAN SHALL NOTIFY THE COVERED PERSON IN WRITING. THE CONTENT OF SUCH NOTIFICATION AND THE DEADLINES FOR MAKING SUCH NOTIFICATION SHALL BE MADE PURSUANT TO REGULATIONS PROMULGATED BY THE COMMISSIONER.

(3) ALL DENIALS OF REQUESTS FOR REIMBURSEMENT FOR MEDICAL TREATMENT OR OTHER BENEFITS ON THE GROUNDS THAT SUCH TREATMENT OR COVERED BENEFIT IS NOT MEDICALLY NECESSARY, APPROPRIATE, EFFECTIVE, OR EFFICIENT SHALL INCLUDE AN EXPLANATION OF THE SPECIFIC MEDICAL BASIS FOR THE DENIAL AND SHALL ADVISE THE COVERED PERSON OF THE RIGHT TO APPEAL SUCH DECISION.

(4) ALL WRITTEN DENIALS SHALL BE SIGNED BY A LICENSED PHYSICIAN FAMILIAR WITH STANDARDS OF CARE IN COLORADO.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(5) A COVERED PERSON'S HEALTH CARE PROVIDER SHALL HAVE THE ABILITY TO COMMUNICATE WITH THE PHYSICIAN INVOLVED IN THE INITIAL DECISION TO DENY REIMBURSEMENT FOR OR COVERAGE OF MEDICAL TREATMENT OR OTHER BENEFITS.

(6) A HEALTH COVERAGE PLAN SHALL DISCLOSE, UPON REQUEST BY A COVERED PERSON OR A COVERED PERSON'S HEALTH CARE PROVIDER, ITS STANDARDS FOR DENIAL OF MEDICAL TREATMENTS OR OTHER BENEFITS ON THE GROUNDS THAT SUCH TREATMENT OR COVERED BENEFIT IS NOT MEDICALLY NECESSARY, APPROPRIATE, EFFECTIVE, OR EFFICIENT.

(7) NOTHING IN THIS SECTION SHALL PRECLUDE OR DENY THE RIGHT OF THE COVERED INDIVIDUAL TO SEEK ANY OTHER REMEDY OR RELIEF, AND NOTHING IN THIS SECTION SHALL BE A CONDITION PRECEDENT TO ANY LEGAL PROCEEDING.

SECTION 2. Effective date. This act shall take effect July 1, 1997.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 3, 1997