HOUSE BILL 98-1391

BY REPRESENTATIVES S. Johnson, Hagedorn, Owen, Smith, G. Berry, Gotlieb, Paschall, Reeser, Udall, and S. Williams; also SENATORS Bishop, B. Alexander, and Matsunaka.

AN ACT

CONCERNING THE CONDITIONS UNDER WHICH A HEALTH CARE COVERAGE ENTITY MAY MODIFY BENEFITS WITHIN AN EXISTING SMALL GROUP OR INDIVIDUAL HEALTH BENEFIT PLAN.

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

SECTION 1. 10-16-201.5, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

10-16-201.5. Renewability of health benefit plans - modification of health benefit plans. (8) (a) With respect to benefits provided under a small group health benefit plan or individual health benefit plan renewed on or after January 1, 1999, a carrier may make reasonable modifications if:

(I) The modification is effective only upon renewal of such health benefit plan;

(II) The health benefit plan is uniformly modified for all groups and individuals covered by such health benefit plan;

(III) To the extent a health benefit plan already provides the benefits and coverages established in section 10-16-105 (7.2) and rules and regulations promulgated thereunder, the proposed modifications to benefits and coverages do not fall below such requirements;

(IV) The proposed modification is provided to policyholders and the commissioner at least ninety days prior to the effective date of the modification; and

(V) The carrier provides to each affected policyholder the opportunity

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
TO PURCHASE ANY OTHER HEALTH BENEFIT PLAN OFFERED BY THE CARRIER IN SUCH MARKET.

(b) THE COMMISSIONER MAY PROMULGATE SUCH REASONABLE RULES AND REGULATIONS AS ARE NECESSARY AND PROPER TO CARRY OUT THE PROVISIONS OF THIS SUBSECTION (8).

SECTION 2. 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: May 18, 1998