

CHAPTER 7

INSURANCE

HOUSE BILL 01-1037

BY REPRESENTATIVE(S) Fairbank;
also SENATOR(S) Phillips and Nichol.

AN ACT

CONCERNING THE CREATION OF SPECIFIC REQUIREMENTS FOR HEALTH CARE PROVIDER NETWORKS THAT
CONDUCT INSURANCE BUSINESS IN THE STATE OF COLORADO.

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

SECTION 1. 6-18-302 (1) (b), Colorado Revised Statutes, is amended BY THE
ADDITION OF A NEW SUBPARAGRAPH to read:

6-18-302. Creation of provider networks - requirements. (1) (b) (IV) EVERY
LICENSED PROVIDER NETWORK THAT CONDUCTS INSURANCE BUSINESS IN THE STATE
OF COLORADO SHALL:

(A) OBTAIN FROM THE COMMISSIONER OF INSURANCE, BEFORE THE START OF
BUSINESS, A CERTIFICATE OF AUTHORITY AUTHORIZING THE PROVIDER NETWORK TO
CONDUCT BUSINESS IN THE STATE OF COLORADO;

(B) MAINTAIN ITS PRINCIPAL AND HOME OFFICE IN THE STATE OF COLORADO,
MAINTAIN SUCH BOOKS AND RECORDS IN THIS STATE, AND MAINTAIN PRINCIPAL
BANKING RELATIONSHIPS WITH A BANK CHARTERED BY THE STATE OF COLORADO OR
A MEMBER BANK OF THE FEDERAL RESERVE SYSTEM;

(C) HOLD AT LEAST ONE BOARD OF DIRECTORS' MEETING EACH YEAR IN THE STATE
OF COLORADO;

(D) INCLUDE IN THE PROVIDER NETWORK'S MANAGEMENT AND ADMINISTRATIVE
AGREEMENTS, FOR ESSENTIAL INSURANCE SERVICES, A PROVISION THAT ALLOWS THE
COMMISSIONER REASONABLE ACCESS TO EXAMINE SUCH BOOKS AND RECORDS; AND

(E) FOR PURPOSES OF THIS PARAGRAPH (b), SUBSTANTIALLY PERFORM IN THE

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

STATE OF COLORADO THE ESSENTIAL FUNCTIONS OF THE LICENSED PROVIDER NETWORK'S PRINCIPAL AND HOME OFFICE , INCLUDING, BUT NOT LIMITED TO, THE PROVISION AND ADMINISTRATION OF HEALTH CARE SERVICES, THE ISSUANCE OF HEALTHCARE PLANS, THE MAINTENANCE OF HEALTH CARE PROVIDER RELATIONS, AND THE PROVISION OF CONSUMER INFORMATION AND SERVICES.

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: March 1, 2001