

CHAPTER 308

INSURANCE

HOUSE BILL 02-1013

BY REPRESENTATIVE(S) Spradley, Williams T., Borodkin, Coleman, Jahn, Kester, Lawrence, Mace, Williams S., and Young;
also SENATOR(S) McElhany, Owen, Entz, Epps, Lamborn, Taylor, and Teck.

AN ACT

CONCERNING THE GUARANTEED ISSUE OF HEALTH INSURANCE BENEFITS FOR BUSINESS GROUPS OF ONE.

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

SECTION 1. 10-16-102 (40) Colorado Revised Statutes, is amended to read:

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

(40) (a) "Small employer" means any person, firm, corporation, partnership, or association that is actively engaged in business that, on at least fifty percent of its working days during the preceding calendar quarter, employed no more than fifty eligible employees, the majority of whom were employed within this state and that was not formed primarily for the purpose of purchasing insurance. On and after January 1, 1996, "small employer" includes a business group of one. In determining the number of eligible employees, companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of state taxation, shall be considered one employer.

(b) IN ORDER TO BE CLASSIFIED AS A SMALL EMPLOYER WITH MORE THAN ONE EMPLOYEE WHEN ONLY ONE EMPLOYEE ENROLLS IN THE SMALL EMPLOYER'S HEALTH BENEFIT PLAN, THE SMALL EMPLOYER SHALL SUBMIT TO THE SMALL EMPLOYER CARRIER THE TWO MOST RECENT QUARTERLY EMPLOYMENT AND TAX STATEMENTS SUBSTANTIATING THAT THE EMPLOYER HAD TWO OR MORE EMPLOYEES. SUCH SMALL EMPLOYER GROUP SHALL ALSO MEET THE PARTICIPATION REQUIREMENTS OF THE SMALL EMPLOYER CARRIER.

SECTION 2. 10-16-102 (6), Colorado Revised Statutes, is amended BY 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.

ADDITION OF A NEW PARAGRAPH to read:

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

(6) (d) FOR PURPOSES OF DETERMINING WHETHER AN APPLICANT MEETS THE REQUIREMENTS OF TWENTY-FOUR HOURS OR MORE PER WEEK ON A PERMANENT BASIS AS SET FORTH IN THIS SUBSECTION (6), THE COMMISSIONER SHALL PROMULGATE A RULE, WITHIN EXISTING RESOURCES, TO DEFINE WHAT TYPES OF DOCUMENTATION MAY BE REQUESTED BY A CARRIER TO SUBSTANTIATE THIS REQUIREMENT.

SECTION 3. 10-16-118 (1) (a) (I), Colorado Revised Statutes, is amended to read:

10-16-118. Limitations on preexisting condition limitations. (1) A health coverage plan that covers residents of this state:

(a) (I) If it is a group health benefit plan, shall not deny, exclude, or limit benefits for a covered individual because of a preexisting condition for losses incurred more than six months following the date of enrollment of the individual in such plan or, if earlier, the first day of the waiting period for such enrollment; EXCEPT THAT, FOR BUSINESS GROUPS OF ONE, A HEALTH BENEFIT PLAN SHALL NOT DENY, EXCLUDE, OR LIMIT BENEFITS FOR A COVERED INDIVIDUAL BECAUSE OF A PREEXISTING CONDITION FOR LOSSES INCURRED MORE THAN TWELVE MONTHS FOLLOWING THE DATE OF ENROLLMENT OF THE INDIVIDUAL IN SUCH PLAN. A group health benefit plan may impose a preexisting condition exclusion or limitation only if such exclusion relates to a condition (whether physical or mental), regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within six months immediately preceding the date of enrollment of the individual in such plan or, if earlier, the first day of the waiting period for such enrollment; except that a group health benefit plan shall not impose any preexisting condition exclusion in the case of a child that is adopted or placed for adoption before attaining eighteen years of age, or relating to pregnancy.

SECTION 4. Effective date - applicability. (1) This act shall take effect January 1, 2003, unless a referendum petition is filed during the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution. If such a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part shall take effect on the specified date only if approved by the people.

(2) The provisions of this act shall apply to health benefit plans issued or renewed on or after the applicable effective date of this act.

Approved: June 7, 2002