

CHAPTER 124

INSURANCE

SENATE BILL 04-116

BY SENATOR(S) Jones, Arnold, Chlouber, and May R.;
also REPRESENTATIVE(S) McCluskey and Hall.

AN ACT

**CONCERNING RATE-MAKING IN WORKERS' COMPENSATION CASES, AND, IN CONNECTION THEREWITH,
SETTING THE EFFECTIVE DATE OF WORKERS' COMPENSATION INSURANCE AND MEDICAL BENEFIT
RATES.**

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

SECTION 1. 10-4-405 (2) (a), Colorado Revised Statutes, is amended to read:

10-4-405. Filing of rating information - certain coverages. (2) (a) Every filing shall state the proposed effective date thereof and shall indicate the character and extent of the coverage contemplated. ~~FILINGS REGARDING WORKERS' COMPENSATION INSURANCE RATES SHALL BE FILED ON OR BEFORE AUGUST 1 OF ANY CALENDAR YEAR.~~ When a filing is not accompanied by the information upon which the insurer supports the filing and the commissioner does not have sufficient information to determine whether the filing meets the requirements of this part 4, he shall, within fifteen days after the date of filing, require the insurer to furnish the information upon which it supports the filing, and in such event the waiting period provided for in section 10-4-406 (2) shall commence as of the date such information is furnished.

SECTION 2. 10-4-406 (5) (a) and (5) (b), Colorado Revised Statutes, are amended to read:

10-4-406. Review of filings - certain coverages. (5) (a) If the commissioner approves a filing, he OR SHE shall give prompt notice thereof to the insurer or rating organization that made the filing. The filing shall become effective upon such subsequent date as may be satisfactory to the commissioner and the insurer or rating organization that made the filing; ~~EXCEPT THAT RATES FOR WORKERS' COMPENSATION INSURANCE SHALL BECOME EFFECTIVE ON JANUARY 1 UNLESS THE COMMISSIONER, UPON APPLICATION, MAKES A FINDING UPON GOOD CAUSE SHOWN THAT A LATER DATE~~

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

IS NECESSARY OR APPROPRIATE FOR THE IMPLEMENTATION OF SUCH FILING.

(b) If the filing is deemed approved in the absence of affirmative action by the commissioner, as provided in subsection (2) of this section, it shall become effective upon such subsequent date as may be satisfactory to the commissioner and the insurer or rating organization that made the filing; EXCEPT THAT RATES FOR WORKERS' COMPENSATION INSURANCE SHALL BECOME EFFECTIVE ON JANUARY 1 UNLESS THE COMMISSIONER, UPON APPLICATION, MAKES A FINDING UPON GOOD CAUSE SHOWN THAT A LATER DATE IS NECESSARY OR APPROPRIATE FOR THE IMPLEMENTATION OF SUCH FILING.

SECTION 3. 10-4-407 (2), Colorado Revised Statutes, is amended to read:

10-4-407. Hearings. (2) If the commissioner's order disapproves the filing, the rate change shall not be placed into effect. If the commissioner's order approves the filing or any portion thereof, the approved rate filing shall become effective upon such subsequent date as may be satisfactory to the insurer or rating organization that made the filing; EXCEPT THAT RATES FOR WORKERS' COMPENSATION INSURANCE SHALL BECOME EFFECTIVE ON JANUARY 1 UNLESS THE COMMISSIONER, UPON APPLICATION, MAKES A FINDING UPON GOOD CAUSE SHOWN THAT A LATER DATE IS NECESSARY OR APPROPRIATE FOR THE IMPLEMENTATION OF SUCH FILING.

SECTION 4. 8-42-101 (3) (a) (I), Colorado Revised Statutes, is amended to read:

8-42-101. Employer must furnish medical aid - approval of plan - fee schedule - contracting for treatment - no recovery from employee - medical treatment guidelines - accreditation of physicians - repeal. (3) (a) (I) The director shall establish a schedule fixing the fees for which all medical, surgical, hospital, dental, nursing, and vocational rehabilitation treatment rendered to employees under this section shall be compensated, and it is unlawful, void, and unenforceable as a debt for any physician, chiropractor, hospital, person, or institution to contract with, bill, or charge any patient for services, rendered in connection with injuries coming within the purview of this article or an applicable fee schedule, which are or may be in excess of said fee schedule unless such charges are approved by the director. Fee schedules shall be reviewed on or before July 1 of each year by the director, and appropriate health care practitioners shall be given a reasonable opportunity to be heard as required pursuant to section 24-4-103, C.R.S., prior to fixing the fees, impairment rating guidelines, which shall be based on the revised third edition of the "American Medical Association Guides to the Evaluation of Permanent Impairment", in effect as of July 1, 1991, and medical treatment guidelines and utilization standards. FEE SCHEDULES ESTABLISHED PURSUANT TO THIS SUBPARAGRAPH (I) SHALL TAKE EFFECT ON JANUARY 1. The director shall promulgate rules and regulations concerning reporting requirements, penalties for failure to report correctly or in a timely manner, utilization control requirements for services provided under this section, and the accreditation process in subsection (3.6) of this section.

SECTION 5. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of 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 (August 4, 2004, if adjournment sine

die is on May 5, 2004); except that, if 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, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 8, 2004