

CHAPTER 140

INSURANCE

HOUSE BILL 05-1165

BY REPRESENTATIVE(S) Boyd, Berens, Borodkin, Larson, Ragsdale, Frangas, Liston, Marshall, Paccione, Soper, Carroll M., McGihon, Todd, Vigil, White, Buescher, Coleman, and McFadyen;
also SENATOR(S) Mitchell, Johnson, Kester, Tochtrop, Williams, Windels, Dyer, Keller, Anderson, Bacon, Groff, Hanna, Tapia, Fitz-Gerald, Hagedorn, and Spence.

AN ACT

CONCERNING THE PAYMENT OF HEALTH INSURANCE BENEFITS TO THIRD PERSONS HOLDING AN ASSIGNMENT FROM A COVERED PERSON.

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, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-106.7. Assignment of health insurance benefits. (1) (a) ANY CARRIER THAT PROVIDES HEALTH COVERAGE TO A COVERED PERSON SHALL ALLOW, BUT NOT REQUIRE, SUCH COVERED PERSON UNDER THE POLICY TO ASSIGN, IN WRITING, PAYMENTS DUE UNDER THE POLICY TO A LICENSED HOSPITAL, OTHER LICENSED HEALTH CARE PROVIDER, AN OCCUPATIONAL THERAPIST AS DESCRIBED IN SECTION 6-1-707 (1) (c), C.R.S., OR A MASSAGE THERAPIST, ALSO REFERRED TO IN THIS SECTION AS THE "PROVIDER", FOR SERVICES PROVIDED TO THE COVERED PERSON THAT ARE COVERED UNDER THE POLICY.

(b) THE COVERED PERSON MAY, WITH OR WITHOUT THE AGREEMENT OF THE PROVIDER, REVOKE THE ASSIGNMENT. SUCH REVOCATION SHALL BE IN WRITING AND SHALL BE SENT TO THE CARRIER. THE CARRIER SHALL SEND A COPY OF THE REVOCATION TO THE PROVIDER WHO IS THE SUBJECT OF THE REVOCATION. THE REVOCATION SHALL BE EFFECTIVE WHEN IT HAS BEEN RECEIVED BY BOTH THE CARRIER AND THE PROVIDER AND SHALL ONLY AFFECT THOSE CHARGES INCURRED AFTER SUCH RECEIPT BY BOTH.

(2) (a) WHEN A PROVIDER RECEIVES AN ASSIGNMENT FROM A COVERED PERSON, IT IS THE RESPONSIBILITY OF THE PROVIDER TO BILL THE CARRIER AND NOTIFY 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.

CARRIER THAT THE PROVIDER HOLDS AN ASSIGNMENT ON FILE. THE CARRIER SHALL HONOR THE ASSIGNMENT THE SAME AS IF A COPY OF THE ASSIGNMENT HAD BEEN RECEIVED BY THE CARRIER. ONLY UPON REQUEST OF THE CARRIER SHALL THE PROVIDER BE REQUIRED TO GIVE THE CARRIER A COPY OF THE ASSIGNMENT.

(b) THE CARRIER SHALL HONOR THE ASSIGNMENT AND MAKE PAYMENT OF COVERED BENEFITS DIRECTLY TO THE PROVIDER. IF THE CARRIER FAILS TO HONOR THE ASSIGNMENT BY MAKING PAYMENT TO THE COVERED PERSON AND IF THE COVERED PERSON, UPON RECEIPT OF SUCH PAYMENT, FAILS TO PAY AN AMOUNT EQUIVALENT TO SUCH PAYMENT TO THE PROVIDER WITHIN FORTY-FIVE DAYS, THE CARRIER SHALL BE LIABLE FOR THE PAYMENT DIRECTLY TO THE PROVIDER. IT SHALL BE THE RESPONSIBILITY OF THE PROVIDER TO NOTIFY THE CARRIER IF PAYMENT HAS NOT BEEN RECEIVED. IN SUCH CASE, THE CARRIER SHALL MAKE PAYMENT OF COVERED BENEFITS AS SPECIFIED IN SECTION 10-16-106.5.

(c) IF THE PROVIDER COLLECTS PAYMENT FROM THE ENROLLEE AND SUBSEQUENTLY RECEIVES PAYMENT FROM THE CARRIER, THE PROVIDER SHALL REIMBURSE THE ENROLLEE, LESS ANY APPLICABLE COPAYMENTS, DEDUCTIBLES, OR COINSURANCE AMOUNTS, WITHIN FORTY-FIVE DAYS.

(3) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT A CARRIER'S ABILITY TO DETERMINE THE SCOPE OF ITS BENEFITS, SERVICES, OR ANY OTHER TERMS OF ITS POLICIES, OR FROM NEGOTIATING CONTRACTS WITH LICENSED HOSPITALS OR OTHER LICENSED HEALTH CARE PROVIDERS ON REIMBURSEMENT RATES OR ANY OTHER LAWFUL PROVISIONS.

SECTION 2. 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 10, 2005, if adjournment sine die is on May 11, 2005); 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.

Became Law: May 10, 2005