

CHAPTER 119

INSURANCE

SENATE BILL 07-078

BY SENATOR(S) Williams, Morse, Boyd, Groff, Hagedorn, Keller, Penry, Romer, Schwartz, Tapia, Tochtrop, Bacon, Fitz-Gerald, Shaffer, Taylor, and Windels;
also REPRESENTATIVE(S) Roberts, Carroll M., Frangas, Todd, Witwer, Borodkin, Buescher, Curry, Gardner B., Gibbs, Green, Kerr J., King, Labuda, Looper, Madden, Massey, McFadyen, McGihon, Peniston, Primavera, Solano, and Summers.

AN ACT**CONCERNING THE RESTORATION OF THE MANDATORY OFFER OF HOSPICE CARE COVERAGE IN SMALL GROUP HEALTH BENEFIT PLANS.**

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

SECTION 1. 10-16-105 (5) (g), (7.2) (b) (I), and (7.2) (b) (III), Colorado Revised Statutes, are amended to read:

10-16-105. Small group sickness and accident insurance - guaranteed issue - mandated provisions for basic health benefit plans - rules - benefit design advisory committee - repeal. (5) Each small group sickness and accident insurer or other entity shall make reasonable disclosure in solicitation and sales materials provided to small employers the following information in a form and manner prescribed by the commissioner and upon request of any such small employer shall provide such information in detail:

(g) (I) That the small employer purchasing any health benefit plan other than a basic plan pursuant to SUBPARAGRAPH (I), (III), OR (IV) OF paragraph (b) of subsection (7.2) of this section, must pay for all of the mandated benefits pursuant to section 10-16-104 and that these mandates include mandatory, nonwaivable coverages for newborn, maternity, pregnancy, childbirth, complications from pregnancy and childbirth, therapies for congenital defects and birth abnormalities, low-dose mammography, mental illness, biologically-based mental illness, the availability of alcoholism treatment, the availability of hospice care, prostate cancer screening, child health supervision, hospitalization and general anesthesia for dental procedures for dependent children, diabetes, and prosthetic devices.

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

(II) That a small employer purchasing a basic health benefit plan DESCRIBED IN SUBPARAGRAPH (I), (III), OR (IV) OF PARAGRAPH (b) OF SUBSECTION (7.2) OF THIS SECTION is waiving coverage for low-dose mammography screening, mental illness, prostate screening, hospitalization and general anesthesia for dental procedures for children, AND the availability of treatment for alcoholism. ~~and the availability of hospice care.~~

(7.2) The commissioner shall promulgate rules to implement a basic health benefit plan and a standard health benefit plan to be offered by each small employer carrier as a condition of transacting business in this state. The commissioner shall survey small group carriers to determine the range of health benefit plans available annually. The commissioner shall implement a basic plan that approximates the lowest level of coverage offered in small group health benefit plans. A basic health benefit plan may be based on the latest medical evidence. The commissioner shall implement a standard plan that approximates the average level of coverage offered in small group health benefit plans. In determining levels of coverage, the commissioner shall consider factors such as coinsurance, copayments, deductibles, out-of-pocket maximums, and covered benefits. The commissioner shall amend the rules to implement the basic and standard health benefit plans no more frequently than once every two years. The rules shall be in conformity with article 4 of title 24, C.R.S., and shall incorporate the following standard health benefit plan design described in paragraph (a) of this subsection (7.2) and the various options for the basic health benefit plan design described in paragraph (b) of this subsection (7.2):

(b) (I) A basic health benefit plan may reflect a basic health benefit plan that does not include coverage pursuant to the mandatory coverage provisions of section 10-16-104 (4), (5), ~~(8)~~, (9), (10), and (12);

(III) A basic health benefit plan may reflect a basic health benefit plan that does not include coverage pursuant to the mandatory coverage provisions of section 10-16-104 (4), (5), ~~(8)~~, (9), (10), and (12), is a high deductible plan that would qualify for a health savings account pursuant to 26 U.S.C. sec. 223. A carrier may apply deductible amounts for mandatory health benefits for child supervision services or prosthetic devices pursuant to section 10-16-104 (11) and (14) if such mandatory benefits are not considered by the federal department of treasury to be preventive or to have an acceptable deductible amount.

SECTION 2. 10-16-105 (7.2) (b) (IV) (A), Colorado Revised Statutes, as it will become effective January 1, 2008, is amended to read:

10-16-105. Small group sickness and accident insurance - guaranteed issue - mandated provisions for basic health benefit plans - rules - benefit design advisory committee - repeal. (7.2) The commissioner shall promulgate rules to implement a basic health benefit plan and a standard health benefit plan to be offered by each small employer carrier as a condition of transacting business in this state. The commissioner shall survey small group carriers to determine the range of health benefit plans available annually. The commissioner shall implement a basic plan that approximates the lowest level of coverage offered in small group health benefit plans. A basic health benefit plan may be based on the latest medical evidence. The commissioner shall implement a standard plan that approximates the average level of coverage offered in small group health benefit plans. In

determining levels of coverage, the commissioner shall consider factors such as coinsurance, copayments, deductibles, out-of-pocket maximums, and covered benefits. The commissioner shall amend the rules to implement the basic and standard health benefit plans no more frequently than once every two years. The rules shall be in conformity with article 4 of title 24, C.R.S., and shall incorporate the following standard health benefit plan design described in paragraph (a) of this subsection (7.2) and the various options for the basic health benefit plan design described in paragraph (b) of this subsection (7.2):

(b) (IV) On and after January 1, 2008, a basic health benefit plan may reflect a medical evidence-based health benefit plan that:

(A) Does not include coverage pursuant to the mandatory coverage provisions of section 10-16-104 (5), ~~(8)~~; (9), (10), and (12);

SECTION 3. 10-16-104 (15), Colorado Revised Statutes, is amended to read:

10-16-104. Mandatory coverage provisions. (15) Notwithstanding any provision to the contrary, a small employer may purchase health benefit coverage that does not include the coverage for benefits pursuant to subsections (4), (5), ~~(8)~~, (9), (10), and (12) of this section through a basic health benefit plan pursuant to section 10-16-105 (7.2) (b) (I) OR (III) or that does not include coverage for benefits pursuant to subsections (5), ~~(8)~~; (9), (10), and (12) of this section through a medical evidence-based health benefit plan authorized in section 10-16-105 (7.2) (b) (IV).

SECTION 4. 10-16-116 (3), Colorado Revised Statutes, is amended to read:

10-16-116. Catastrophic health insurance - coverage. (3) Insurers shall provide a written disclosure to a covered person that indicates the mandated benefits of section 10-16-104 (1), (1.7), (4), (5), (5.5), (8), (9), (10), (11), (12), (13), and (14) are covered benefits of the high deductible health plan offered pursuant to section 10-16-105 ~~(7.2) (b) (I) or~~ (7.2) (b) (II); except that the mandated benefits for mammography, prostate screenings, ~~and~~ child health supervision services, AND PROSTHETIC DEVICES shall be subject to policy deductibles.

SECTION 5. Effective date - applicability. This act shall take effect January 1, 2008, and shall apply to basic health benefit plans issued or renewed on or after said date.

SECTION 6. 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: April 11, 2007