

CHAPTER 151

INSURANCE

SENATE BILL 07-049

BY SENATOR(S) Isgar, Bacon, Boyd, Fitz-Gerald, Groff, Hagedorn, Keller, Romer, Schwartz, Shaffer, Takis, Tapia, Tochtrop, Tupa, Veiga, Williams, and Windels;
 also REPRESENTATIVE(S) McGihon, Borodkin, Buescher, Butcher, Carroll M., Casso, Frangas, Gallegos, Green, Hodge, Kefalas, McFadyen, Merrifield, Primavera, and Todd.

AN ACT

CONCERNING THE AVAILABILITY OF SUPPLEMENTAL INSURANCE UNDER COVERCOLORADO FOR CERTAIN INDIVIDUALS ELIGIBLE FOR MEDICARE.

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

SECTION 1. 10-8-506 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10-8-506. Board - powers and duties. (1) The board shall be the governing body of the program and shall have all powers necessary to implement the provisions of this part 5. In addition, the board shall have the specific authority to:

(e.3) ESTABLISH ONE OR MORE COORDINATION OF BENEFITS PLAN DESIGNS;

SECTION 2. 10-8-512 (1) and (2), Colorado Revised Statutes, are amended to read:

10-8-512. Premiums - standard risk rate. (1) Premiums charged for the health benefit plans AND COORDINATION OF BENEFITS PLANS offered by the program shall be based on the standard risk rate calculated pursuant to subsection (2) of this section and shall not be unreasonable in relation to the benefits provided, the risk experience, and the reasonable actual expenses of providing the benefits. Rates and schedules may be adjusted by the board for appropriate risk factors in accordance with established actuarial underwriting practices.

(2) (a) The standard risk rate PLANS OFFERED BY THE PROGRAM shall be calculated using the average rate ~~for health benefit plans~~ charged by the five largest

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

carriers in the state who offer ~~health benefit~~ plans comparable to the ~~policies~~ PLANS issued by the ~~plan~~ PROGRAM.

(b) ~~In the event~~ IF there are ~~less~~ FEWER than five carriers offering such ~~health benefit~~ plans, the standard risk rate shall be established by considering the rates charged by such number of carriers as there are in the state and by using reasonable actuarial techniques, which shall reflect anticipated claims experience and expenses for such ~~health benefit~~ plans.

SECTION 3. 10-8-513 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10-8-513. Eligibility for coverage under the program. (1) Except for those individuals who meet the criteria set forth in subsection (2) of this section and except as provided in section 10-8-513.5, any individual who is a resident of this state, unless exempted by subsection (4) of this section, and who has been residing in the United States under the color of law for at least six months, including children who have been placed for adoption, as defined in section 10-16-104 (6.5) or are under the legal guardianship of a resident of Colorado, shall be eligible for coverage under the program, if such individual is able to provide evidence satisfactory to the administering carrier that such individual meets one of the following conditions:

(d) FOR PURPOSES OF A COORDINATION OF BENEFITS PLAN OFFERED BY THE PROGRAM, THE INDIVIDUAL IS:

(I) UNDER AGE SIXTY-FIVE;

(II) ELIGIBLE FOR MEDICARE BY REASON OF DISABILITY;

(III) ENROLLED IN PARTS A AND B OF MEDICARE; AND

(IV) NOT APPLYING TO THE PROGRAM DURING THE OPEN ENROLLMENT PERIOD FOR A MEDICARE SUPPLEMENT POLICY.

SECTION 4. 10-8-513 (2) (e), Colorado Revised Statutes, is amended to read:

10-8-513. Eligibility for coverage under the program. (2) The following individuals shall not be eligible for coverage under the program:

(e) Those who are eligible for any other health benefit plan, including any public program, that provides coverage for health care services, regardless of whether such other health benefit plan covers all health care services or categories of services that such individuals may from time to time need, except as provided in subparagraphs (II) and (III) of paragraph (a) OR PARAGRAPH (d) of subsection (1) of this section; and

SECTION 5. 10-8-519 (1), Colorado Revised Statutes, is amended to read:

10-8-519. Provisions of policies. (1) A health benefit plan OR COORDINATION OF BENEFITS PLAN offered under this part 5 shall provide that the program is obligated to renew the policy until the first day on which the individual in whose

name the health benefit plan OR COORDINATION OF BENEFITS PLAN is issued ~~first~~ REACHES THE AGE OF SIXTY-FIVE AND becomes eligible for medicare coverage BECAUSE OF THE INDIVIDUAL'S AGE, except as otherwise provided in this part 5. The program is not obligated to renew the policy of any individual who fails to pay any plan premium when due.

SECTION 6. 10-8-521, Colorado Revised Statutes, is amended to read:

10-8-521. Notice to residents. If any individual who is a resident of this state applies to a carrier for a health benefit plan OR A MEDICARE SUPPLEMENT POLICY and the carrier responds to such application as described in section 10-8-513 (1) (a), or if any federally eligible individual applies to a carrier for a health benefit plan, the carrier shall give the individual written notice that the individual may be eligible for coverage under the program, including information about available benefits, exclusions, and premium subsidies, and the name, address, and telephone number of the program.

SECTION 7. 10-8-525, Colorado Revised Statutes, is amended to read:

10-8-525. Benefits - availability - maximum coverage. (1) Every eligible individual, AS DETERMINED PURSUANT TO SECTION 10-8-513 (1) (a), (1) (b), OR (1) (c), may purchase from the program a health benefit plan that extends coverage for major medical expenses or, in the case of ~~the~~ A federally eligible individual, AS DEFINED IN SECTION 10-8-513.5, that extends comprehensive coverage. ~~Such health benefit plans shall be renewable annually, except as otherwise provided in this part 5.~~ Any such health benefit plan shall pay for the health care services that are covered under this part 5, subject to the deductible and coinsurance payments and other cost containment controls authorized under this part 5 and subject to a lifetime limit of one million dollars per insured individual.

(2) EVERY INDIVIDUAL ELIGIBLE PURSUANT TO SECTION 10-8-513 (1) (d) MAY PURCHASE A COORDINATION OF BENEFITS PLAN THAT COORDINATES WITH MEDICARE COVERAGE, AS DETERMINED BY THE BOARD. A COORDINATION OF BENEFITS PLAN OFFERED UNDER THIS PART 5 MAY EXTEND COVERAGE FOR HEALTH CARE SERVICES OR EXPENSES NOT COVERED BY MEDICARE. COVERAGE UNDER A COORDINATION OF BENEFITS PLAN SHALL NOT DUPLICATE COVERAGE UNDER MEDICARE AND SHALL BE SUBJECT TO A LIFETIME LIMIT OF ONE MILLION DOLLARS PER PARTICIPANT.

SECTION 8. 10-8-526, Colorado Revised Statutes, is amended to read:

10-8-526. Expenses covered. Health benefit plans issued pursuant to this part 5 shall cover expenses incurred for health care services or articles or items related to such services or articles that are medically necessary, subject to the cost containment controls authorized by this part 5; except that such coverage shall not extend to costs for such services or articles over and above the reasonable and customary charge in the locality and shall not extend to services or articles that are not prescribed by a physician who is licensed to practice in the state or jurisdiction where such services or articles are provided. Such services shall include but not be limited to care for acute illnesses and ongoing care for the treatment of the insured's uninsurable condition. Coverage UNDER A HEALTH BENEFIT PLAN shall be at least comparable to that issued on a group basis in the market.

SECTION 9. Anticipated transfer of moneys. The general assembly anticipates that, for the fiscal year beginning July 1, 2007, the state treasurer will transmit the sum of one million sixty-two thousand dollars (\$1,062,000) out of moneys available in the unclaimed property trust fund as required by section 38-13-116.5 (2.7), Colorado Revised Statutes, for the implementation of this act.

SECTION 10. 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 19, 2007