

CHAPTER 133

INSURANCE

SENATE BILL 11-128

BY SENATOR(S) Newell, Bacon, Foster, Guzman, Hudak, Jahn, Johnston, Nicholson, Schwartz, Shaffer B., Steadman, Williams S., Aguilar, Boyd, Carroll, Morse, Tochtrop;
also REPRESENTATIVE(S) McCann and Summers, Acree, Court, Duran, Lee, Pabon, Ryden, Casso, Ferrandino, Fields, Fischer, Gardner D., Hamner, Jones, Kefalas, Kerr A., Labuda, Levy, Massey, Miklosi, Pace, Schafer S., Solano, Todd, Tyler, Vigil, Williams A., Wilson.

AN ACT

CONCERNING REQUIRING A CARRIER THAT PARTICIPATES IN THE INDIVIDUAL HEALTH INSURANCE MARKET IN COLORADO TO ISSUE CHILD-ONLY PLANS ON A GUARANTEED-ISSUE BASIS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. Legislative declaration. The general assembly hereby determines and declares that it is important to get all children in Colorado covered by creditable health insurance and that in order to do so, it is important to bring more insurance providers into the market to offer individual health insurance coverage to children through child-only health plans. Therefore, it is the intent of the general assembly to accomplish this goal by establishing that as a condition of issuing health insurance coverage in the individual market until January 1, 2014, carriers offer child-only plan policies during specified open enrollment periods.

SECTION 2. 10-16-102, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

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

(10.3) "CHILD-ONLY PLAN" MEANS A HEALTH BENEFIT PLAN THAT IS ISSUED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (10.3) AND THAT PROVIDES COVERAGE TO AN INDIVIDUAL UNDER NINETEEN YEARS OF AGE. A "CHILD-ONLY PLAN" DOES NOT INCLUDE COVERAGE PROVIDED TO A DEPENDENT UNDER AN INDIVIDUAL OR GROUP HEALTH BENEFIT PLAN.

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

(36.3) "QUALIFYING EVENT" INCLUDES BIRTH, ADOPTION, MARRIAGE, DISSOLUTION OF MARRIAGE, LOSS OF EMPLOYER-SPONSORED INSURANCE, LOSS OF ELIGIBILITY UNDER THE "COLORADO MEDICAL ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF TITLE 25.5, C.R.S., LOSS OF ELIGIBILITY UNDER THE CHILDREN'S BASIC HEALTH PLAN, ARTICLE 8 OF TITLE 25.5, C.R.S., ENTRY OF A VALID COURT OR ADMINISTRATIVE ORDER MANDATING THE CHILD BE COVERED, OR INVOLUNTARY LOSS OF OTHER EXISTING COVERAGE FOR ANY REASON OTHER THAN FRAUD, MISREPRESENTATION, OR FAILURE TO PAY A PREMIUM.

SECTION 3. Part 1 of article 16 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-104.4. Child-only plans - legislative declaration - open enrollment - reporting requirements - repeal. (1) AS A CONDITION OF ISSUING COVERAGE IN THE INDIVIDUAL MARKET, A CARRIER SHALL ISSUE AT LEAST ONE CHILD-ONLY PLAN. THE CARRIER SHALL ISSUE EVERY CHILD-ONLY PLAN PURSUANT TO THIS SECTION. A CARRIER SHALL ACCEPT AN APPLICATION FOR CHILD-ONLY PLAN COVERAGE ONLY DURING THE ENROLLMENT PERIODS OUTLINED IN THIS SECTION UNLESS THE APPLICATION IS RECEIVED WITHIN THIRTY DAYS AFTER A QUALIFYING EVENT.

(2) (a) EXCEPT AS SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION, THERE SHALL BE TWO OPEN ENROLLMENT PERIODS EACH YEAR DURING WHICH CARRIERS SHALL ACCEPT APPLICATIONS FOR CHILD-ONLY PLAN COVERAGE. THE FIRST OPEN ENROLLMENT PERIOD SHALL BEGIN ON THE FIRST OF THE MONTH CLOSEST TO NINETY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. IN EACH YEAR THEREAFTER, THE OPEN ENROLLMENT PERIODS SHALL BE IN JANUARY AND JULY. EACH PERIOD MUST LAST ONE MONTH AND MUST BE FOLLOWED BY A THIRTY-DAY WAITING PERIOD FOR THE CHILD-ONLY PLANS TO TAKE EFFECT.

(b) DURING ANY PERIOD OF OPEN ENROLLMENT, CARRIERS SHALL OFFER CHILD-ONLY PLAN COVERAGE TO ALL APPLICANTS UNDER NINETEEN YEARS OF AGE ON A GUARANTEED-ISSUE BASIS.

(c) EACH CARRIER SHALL CONTINUOUSLY AND PROMINENTLY DISPLAY, ON ITS WEB SITE, NOTICE OF EACH OPEN ENROLLMENT PERIOD AND INSTRUCTIONS ON HOW TO ENROLL A CHILD IN A CHILD-ONLY PLAN, INCLUDING INFORMATION REGARDING THE ABILITY TO ENROLL DUE TO A QUALIFYING EVENT. EACH CARRIER SHALL ALSO PROVIDE A LINK TO THE PUBLIC PROGRAMS ADMINISTERED BY THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SO THAT INDIVIDUALS CONSIDERING ENROLLING IN CHILD-ONLY PLANS HAVE ACCESS TO ELIGIBILITY INFORMATION FOR THE PUBLIC PROGRAMS.

(3)(a) A CARRIER MAY CANCEL COVERAGE FOR A DEPENDENT IN THE INDIVIDUAL MARKET IF THE PARENT SUBSCRIBER CANCELS HIS OR HER INDIVIDUAL COVERAGE. THE CARRIER SHALL ALLOW THE DEPENDENT TO APPLY FOR CHILD-ONLY PLAN COVERAGE DURING THE NEXT OPEN ENROLLMENT PERIOD WITH NO SURCHARGE.

(b) A CARRIER MAY DENY COVERAGE TO AN APPLICANT FOR ENROLLMENT IN A CHILD-ONLY PLAN IF OTHER CREDITABLE COVERAGE IS AVAILABLE. FOR PURPOSES OF THIS PARAGRAPH (b), "CREDITABLE COVERAGE" DOES NOT INCLUDE ELIGIBILITY

FOR A HIGH-RISK POOL INSURANCE PLAN, BUT INCLUDES CURRENT ENROLLMENT IN A HIGH-RISK POOL INSURANCE PLAN.

(c) A CARRIER MAY IMPOSE A SURCHARGE FOR UP TO TWELVE MONTHS ON AN INDIVIDUAL WHO ENROLLS IN A CHILD-ONLY PLAN IF THE INDIVIDUAL WAS PREVIOUSLY ENROLLED IN A CHILD-ONLY PLAN, SUBSEQUENTLY DROPPED THE COVERAGE, AND THE LAPSE IN COVERAGE IS GREATER THAN SIXTY-THREE DAYS. THE SURCHARGE MAY BE UP TO AN ADDITIONAL FIFTY PERCENT OF THE AMOUNT THAT WOULD BE CHARGED FOR THE SAME CHILD DEMONSTRATING CONTINUOUS COVERAGE.

(4) EACH CARRIER THAT PARTICIPATES IN THE INDIVIDUAL MARKET IN COLORADO SHALL SUBMIT TO THE COMMISSIONER THE FOLLOWING INFORMATION AT THE TIME THE CARRIER SUBMITS THE INFORMATION REQUIRED IN SECTION 10-16-111 (4) (a):

(a) THE NUMBER OF APPLICANTS FOR A CHILD-ONLY PLAN;

(b) THE NUMBER OF INDIVIDUALS ENROLLED IN A CHILD-ONLY PLAN; AND

(c) THE NUMBER OF APPLICANTS DENIED ENROLLMENT IN A CHILD-ONLY PLAN AND THE REASONS FOR THE DENIALS.

(5) FEDERAL GRANT MONEYS SHALL BE USED TO IMPLEMENT THIS SECTION.

(6) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2014.

SECTION 4. 10-16-111 (4), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10-16-111. Annual statements and reports - repeal. (4) (a.5) (I) IN ADDITION TO AND IN CONJUNCTION WITH THE INFORMATION SUBMITTED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4), A CARRIER THAT PARTICIPATES IN THE INDIVIDUAL MARKET IN COLORADO SHALL SUBMIT TO THE COMMISSIONER THE FOLLOWING INFORMATION:

(A) THE NUMBER OF APPLICANTS FOR A CHILD-ONLY PLAN;

(B) THE NUMBER OF INDIVIDUALS ENROLLED IN A CHILD-ONLY PLAN; AND

(C) THE NUMBER OF APPLICANTS DENIED ENROLLMENT IN A CHILD-ONLY PLAN AND THE REASONS FOR THE DENIALS.

(II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE JANUARY 1, 2014.

SECTION 5. Appropriation - adjustments to the 2011 long bill. (1) The general assembly anticipates that, for the fiscal year beginning July 1, 2011, the department of regulatory agencies, division of insurance, will receive the sum of five thousand four hundred fifty-five dollars (\$5,455) in federal funds for the implementation of this act. Said sum shall be from funds received through the federal patient protection and affordable care act, Pub. L. 111-148. Although these funds are not appropriated in this act, they are noted for the purpose of indicating

the assumptions used relative to these funds.

(2) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2011, the sum of two thousand nine hundred thirty-five dollars (\$2,935), or so much thereof as may be necessary, for the provision of legal services to the department of regulatory agencies related to the implementation of this act. Said sum shall be from reappropriated funds received from the department of regulatory agencies out of the appropriation made in subsection (1) of this section.

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 29, 2011