

Please Support HB24-1258: Credit Covered Person Expenses Insurer Insolvency

By Representatives Brown and Boesenecker, Senator Roberts

This bill requires that a person's new health insurance carrier credit all of the out-of-pocket expenses (including payments toward a deductible or out of pocket maximum amount) paid by the person from their original health benefit plan in the given plan year to the new health benefit plan in the event that the original health insurance carrier exits the market and can no longer provide coverage to the individual (in its insolvency).

This bill, in addition to HB23-1303 from last year, responds to the distinct difficulties people faced in the aftermath of the insolvency of Friday Health Plans, whereby they were forced into a new insurance carrier during the special enrollment period, and then were forced to pay into a whole new deductible for the same plan year.

Why this bill is needed:

- When Friday Health Plans went out of business this summer, 30,000 Coloradans were faced with potentially paying their deductible and out of pocket maximums twice.
- Consumers shouldn't be asked to foot the bill in the event that their health insurance company goes out of business.
- While insurance company insolvencies are rare, consumers need protections from unexpected and unplanned medical expenses.

What the bill does:

- Covers individual health benefit plans
- Defines 'out-of-pocket expenses' as any expenses paid by a covered person for medical services and prescription drugs, including coinsurance, not including premium payments
- If a covered person's out-of-pocket expenses for coverage under the original health benefit plan were greater than the coinsurance amounts required by the new carrier, the new carrier is not required to apply the amount in excess to the new health benefit plan.
- The Commissioner of Insurance shall promulgate rules to implement this, including protocols for each carrier to follow when applying out-of-pocket expenses paid by a covered person to a new health benefit plan. The protocols must be based on out-of-pocket maximum amounts from the Division of Insurance.
- The commissioner shall work with the exchange to develop the protocols.

For more information:

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