

**First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 07-0350.01 Christy Chase

SENATE BILL 07-049

SENATE SPONSORSHIP

Isgar,

HOUSE SPONSORSHIP

(None),

Senate Committees

Health and Human Services
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE AVAILABILITY OF SUPPLEMENTAL INSURANCE**
102 **UNDER COVERCOLORADO FOR CERTAIN INDIVIDUALS ELIGIBLE**
103 **FOR MEDICARE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Authorizes the board of directors of the CoverColorado program to establish one or more supplemental plan designs to be offered to eligible individuals as an individual plan of health coverage designed to supplement reimbursements under medicare for the eligible individual's hospital, medical, or surgical expenses. Defines an "eligible individual" as a Colorado resident legally residing in the United States for at least 6

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

months who is:

Under age 65;

Eligible for medicare by reason of a disability; and

Enrolled in parts A and B of medicare.

Delineates the method for setting the premiums for a CoverColorado supplemental plan. Requires CoverColorado plans to renew policies until the day the covered individual turns 65 and becomes eligible for medicare coverage. Establishes coverages and limitations under a CoverColorado supplemental plan and allows for discretionary coverage beyond that provided under medicare.

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

2

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

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

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

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

13 **10-8-512. Premiums - standard risk rate.** (1) Premiums
14 charged for the health benefit plans AND COORDINATION OF BENEFITS
15 PLANS offered by the program shall be based on the standard risk rate
16 calculated pursuant to subsection (2) of this section and shall not be
17 unreasonable in relation to the benefits provided, the risk experience, and
18 the reasonable actual expenses of providing the benefits. Rates and
19 schedules may be adjusted by the board for appropriate risk factors in
20 accordance with established actuarial underwriting practices.

1 (2) (a) The standard risk rate PLANS OFFERED BY THE PROGRAM
2 shall be calculated using the average rate for health benefit plans charged
3 by the five largest carriers in the state who offer health benefit plans
4 comparable to the policies PLANS issued by the ~~plan~~ PROGRAM.

5 =====

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

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

13 **10-8-513. Eligibility for coverage under the program.**

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

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

26 (I) UNDER AGE SIXTY-FIVE;

27 (II) ELIGIBLE FOR MEDICARE BY REASON OF DISABILITY; ==

1 (III) ENROLLED IN PARTS A AND B OF MEDICARE; AND
2 (IV) NOT APPLYING TO THE PROGRAM DURING THE OPEN
3 ENROLLMENT PERIOD FOR A MEDICARE SUPPLEMENT POLICY.

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

6 **10-8-513. Eligibility for coverage under the program.** (2) The
7 following individuals shall not be eligible for coverage under the
8 program:

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

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

17 **10-8-519. Provisions of policies.** (1) A health benefit plan OR
18 COORDINATION OF BENEFITS PLAN offered under this part 5 shall provide
19 that the program is obligated to renew the policy until the first day on
20 which the individual in whose name the health benefit plan OR
21 COORDINATION OF BENEFITS PLAN is issued ~~first~~ REACHES THE AGE OF
22 SIXTY-FIVE AND becomes eligible for medicare coverage BECAUSE OF THE
23 INDIVIDUAL'S AGE, except as otherwise provided in this part 5. The
24 program is not obligated to renew the policy of any individual who fails
25 to pay any plan premium when due.

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

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

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

12 **10-8-525. Benefits - availability - maximum coverage.**

13 (1) Every eligible individual, AS DETERMINED PURSUANT TO SECTION
14 10-8-513 (1) (a), (1) (b), OR (1) (c), may purchase from the program a
15 health benefit plan that extends coverage for major medical expenses or,
16 in the case of ~~the~~ A federally eligible individual, AS DEFINED IN SECTION
17 10-8-513.5, that extends comprehensive coverage. ~~Such health benefit~~
18 ~~plans shall be renewable annually, except as otherwise provided in this~~
19 ~~part 5.~~ Any such health benefit plan shall pay for the health care services
20 that are covered under this part 5, subject to the deductible and
21 coinsurance payments and other cost containment controls authorized
22 under this part 5 and subject to a lifetime limit of one million dollars per
23 insured individual.

24 (2) EVERY INDIVIDUAL ELIGIBLE PURSUANT TO SECTION 10-8-513
25 (1) (d) MAY PURCHASE A COORDINATION OF BENEFITS PLAN THAT
26 COORDINATES WITH MEDICARE COVERAGE, AS DETERMINED BY THE
27 BOARD. A COORDINATION OF BENEFITS PLAN OFFERED UNDER THIS PART

1 5 MAY EXTEND COVERAGE FOR HEALTH CARE SERVICES OR EXPENSES NOT
2 COVERED BY MEDICARE. COVERAGE UNDER A COORDINATION OF BENEFITS
3 PLAN SHALL NOT DUPLICATE COVERAGE UNDER MEDICARE AND SHALL BE
4 SUBJECT TO A LIFETIME LIMIT OF ONE MILLION DOLLARS PER PARTICIPANT.

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

7 **10-8-526. Expenses covered.** Health benefit plans issued
8 pursuant to this part 5 shall cover expenses incurred for health care
9 services or articles or items related to such services or articles that are
10 medically necessary, subject to the cost containment controls authorized
11 by this part 5; except that such coverage shall not extend to costs for such
12 services or articles over and above the reasonable and customary charge
13 in the locality and shall not extend to services or articles that are not
14 prescribed by a physician who is licensed to practice in the state or
15 jurisdiction where such services or articles are provided. Such services
16 shall include but not be limited to care for acute illnesses and ongoing
17 care for the treatment of the insured's uninsurable condition. Coverage
18 UNDER A HEALTH BENEFIT PLAN shall be at least comparable to that issued
19 on a group basis in the market.

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21 **SECTION 9. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, and safety.