

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

PREAMENDED

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

LLS NO. 11-0585.01 Kristen Forrestal

SENATE BILL 11-128

SENATE SPONSORSHIP

Newell, Bacon, Foster, Guzman, Hudak, Jahn, Johnston, Nicholson, Schwartz, Shaffer B.,
Steadman, Williams S.

HOUSE SPONSORSHIP

McCann and Summers, Acree, Court, Duran, Lee, Pabon, Ryden

Senate Committees

Health and Human Services
Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIRING A CARRIER THAT PARTICIPATES IN THE**
102 **INDIVIDUAL HEALTH INSURANCE MARKET IN COLORADO TO**
103 **ISSUE CHILD-ONLY PLANS ON A GUARANTEED-ISSUE BASIS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill establishes 2 specified enrollment periods for child-only plan coverage. A carrier may accept an application outside of the open enrollment periods if the child does not have a preexisting condition. The plans must be issued on a guaranteed-issue basis without any limitations

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.

or riders based on health status. A carrier is required to give notice of the open enrollment opportunities and provide enrollment instructions on the carrier's web site. A carrier may deny or drop individual coverage under specific circumstances. A carrier must report application and enrollment information regarding child-only plans to the commissioner of insurance.

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

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

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

14 **10-16-102. Definitions.** As used in this article, unless the context
15 otherwise requires:

16 (10.3) "CHILD-ONLY PLAN" MEANS HEALTH INSURANCE COVERAGE
17 THAT IS ISSUED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
18 (10.3) AND THAT PROVIDES COVERAGE FOR HEALTH CARE SERVICES TO AN
19 INDIVIDUAL UNDER NINETEEN YEARS OF AGE. A "CHILD-ONLY PLAN" DOES
20 NOT INCLUDE COVERAGE PROVIDED TO A DEPENDENT UNDER AN
21 INDIVIDUAL OR GROUP HEALTH COVERAGE PLAN.

22 (36.3) "QUALIFYING EVENT" INCLUDES BIRTH, ADOPTION,
23 MARRIAGE, DISSOLUTION OF MARRIAGE, LOSS OF EMPLOYER-SPONSORED

1 INSURANCE, LOSS OF ELIGIBILITY UNDER THE "COLORADO MEDICAL
2 ASSISTANCE ACT", ARTICLES 4, 5, AND 6 OF TITLE 25.5, C.R.S., LOSS OF
3 ELIGIBILITY UNDER THE CHILDREN'S BASIC HEALTH PLAN, ARTICLE 8 OF
4 TITLE 25.5, C.R.S., ENTRY OF A VALID COURT OR ADMINISTRATIVE ORDER
5 MANDATING THE CHILD BE COVERED, OR INVOLUNTARY LOSS OF OTHER
6 EXISTING COVERAGE FOR ANY REASON OTHER THAN FRAUD,
7 MISREPRESENTATION, OR FAILURE TO PAY A PREMIUM.

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

11 **10-16-104.4. Child-only plans - legislative declaration - open**
12 **enrollment - reporting requirements - repeal.** (1) AS A CONDITION OF
13 ISSUING COVERAGE IN THE INDIVIDUAL MARKET, A CARRIER SHALL ISSUE
14 AT LEAST ONE CHILD-ONLY PLAN. THE CARRIER SHALL ISSUE EVERY
15 CHILD-ONLY PLAN PURSUANT TO THIS SECTION. A CARRIER SHALL ACCEPT
16 AN APPLICATION FOR CHILD-ONLY PLAN COVERAGE ONLY DURING THE
17 ENROLLMENT PERIODS OUTLINED IN THIS SECTION UNLESS THE
18 APPLICATION IS RECEIVED WITHIN THIRTY DAYS AFTER A QUALIFYING
19 EVENT.

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21 (2) (a) EXCEPT AS SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (3)
22 OF THIS SECTION, THERE SHALL BE TWO OPEN ENROLLMENT PERIODS EACH
23 YEAR DURING WHICH CARRIERS SHALL ACCEPT APPLICATIONS FOR
24 CHILD-ONLY PLAN COVERAGE. THE FIRST OPEN ENROLLMENT PERIOD
25 SHALL BEGIN ON THE FIRST OF THE MONTH CLOSEST TO NINETY DAYS
26 AFTER THE EFFECTIVE DATE OF THIS SECTION. IN EACH YEAR THEREAFTER,
27 THE OPEN ENROLLMENT PERIODS SHALL BE IN JANUARY AND JULY. EACH

1 PERIOD MUST LAST ONE MONTH AND MUST BE FOLLOWED BY A
2 THIRTY-DAY WAITING PERIOD FOR THE CHILD-ONLY PLANS TO TAKE
3 EFFECT.

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

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

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

21 (b) A CARRIER MAY DENY COVERAGE TO AN APPLICANT FOR
22 ENROLLMENT IN A CHILD-ONLY PLAN IF OTHER CREDITABLE COVERAGE IS
23 AVAILABLE. FOR PURPOSES OF THIS PARAGRAPH (b), "CREDITABLE
24 COVERAGE" DOES NOT INCLUDE ELIGIBILITY FOR A HIGH-RISK POOL
25 INSURANCE PLAN, BUT INCLUDES CURRENT ENROLLMENT IN A HIGH-RISK
26 POOL INSURANCE PLAN.

27 (c) A CARRIER MAY IMPOSE A SURCHARGE FOR UP TO TWELVE

1 MONTHS ON AN INDIVIDUAL WHO ENROLLS IN A CHILD-ONLY PLAN IF THE
2 INDIVIDUAL WAS PREVIOUSLY ENROLLED IN A CHILD-ONLY PLAN,
3 SUBSEQUENTLY DROPPED THE COVERAGE, AND THE LAPSE IN COVERAGE
4 IS GREATER THAN SIXTY-THREE DAYS. THE SURCHARGE MAY BE UP TO AN
5 ADDITIONAL FIFTY PERCENT OF THE AMOUNT THAT WOULD BE CHARGED
6 FOR THE SAME CHILD DEMONSTRATING CONTINUOUS COVERAGE.

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

- 11 (a) THE NUMBER OF APPLICANTS FOR A CHILD-ONLY PLAN;
- 12 (b) THE NUMBER OF INDIVIDUALS ENROLLED IN A CHILD-ONLY
13 PLAN; AND
- 14 (c) THE NUMBER OF APPLICANTS DENIED ENROLLMENT IN A
15 CHILD-ONLY PLAN AND THE REASONS FOR THE DENIALS.

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

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

19 10-16-111. Annual statements and reports - repeal.

20 (4) (a.5) (I) IN ADDITION TO AND IN CONJUNCTION WITH THE
21 INFORMATION SUBMITTED PURSUANT TO PARAGRAPH (a) OF THIS
22 SUBSECTION (4), A CARRIER THAT PARTICIPATES IN THE INDIVIDUAL
23 MARKET IN COLORADO SHALL SUBMIT TO THE COMMISSIONER THE
24 FOLLOWING INFORMATION:

- 25 (A) THE NUMBER OF APPLICANTS FOR A CHILD-ONLY PLAN;
- 26 (B) THE NUMBER OF INDIVIDUALS ENROLLED IN A CHILD-ONLY
27 PLAN; AND

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

3 (II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE JANUARY 1,
4 2014.

5 **SECTION 5. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.