A BILL FOR 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.

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.
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.

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 HEALTH INSURANCE COVERAGE THAT IS ISSUED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION AND THAT PROVIDES COVERAGE FOR HEALTH CARE SERVICES 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 COVERAGE PLAN.

(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 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
CHILD-ONLY PLANS PURSUANT TO THIS SECTION. EXCEPT AS SPECIFIED IN
SUBSECTION (2) OF 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) THE GENERAL ASSEMBLY HEREBY FINDS AND DETERMINES
THAT UNDER THE FEDERAL "PATIENT PROTECTION AND AFFORDABLE
CARE ACT", PUB.L. 111-148, HEALTH INSURANCE COVERAGE MAY BE
OFFERED TO CHILDREN UP TO NINETEEN YEARS OF AGE WITHOUT REGARD
TO PREEXISTING CONDITIONS. THE GENERAL ASSEMBLY FURTHER
DETERMINES THAT THERE IS NO EXPRESS PROVISION IN THE FEDERAL ACT
THAT PRECLUDES A CARRIER FROM OFFERING COVERAGE TO A CHILD
UNDER NINETEEN YEARS OF AGE WHO MEETS A CARRIER'S UNDERWRITING
CRITERIA OUTSIDE OF AN ENROLLMENT PERIOD. THEREFORE, A CARRIER MAY ISSUE CHILD-ONLY PLAN COVERAGE OUTSIDE OF THE DESIGNATED ENROLLMENT PERIODS IF THE CHILD CAN PASS THE UNDERWRITING CRITERIA OF THE CARRIER.

(3)(a) EXCEPT AS SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (4) 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. THE OPEN ENROLLMENT PERIODS SHALL BE SIX MONTHS APART. 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, WITHOUT LIMITATIONS OR RIDERS BASED ON HEALTH STATUS.

(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.

(4)(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.

(5) WITHIN NINETY DAYS AFTER THE CLOSURE OF AN OPEN
ENROLLMENT PERIOD, 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.

(6) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2014.
SECTION 4. 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.