

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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, AND**
104 **MAKING AN APPROPRIATION IN CONNECTION THEREWITH.**

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

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.

SENATE
Amended 2nd Reading
March 25, 2011

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.

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

22 (36.3) "QUALIFYING EVENT" INCLUDES BIRTH, ADOPTION,

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

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

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

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

1 THE OPEN ENROLLMENT PERIODS SHALL BE IN JANUARY AND JULY. EACH
2 PERIOD MUST LAST ONE MONTH AND MUST BE FOLLOWED BY A
3 THIRTY-DAY WAITING PERIOD FOR THE CHILD-ONLY PLANS TO TAKE
4 EFFECT.

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

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

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

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

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

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

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

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

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

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

22 10-16-111. Annual statements and reports - repeal.

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

- 1 (A) THE NUMBER OF APPLICANTS FOR A CHILD-ONLY PLAN;
2 (B) THE NUMBER OF INDIVIDUALS ENROLLED IN A CHILD-ONLY
3 PLAN; AND
4 (C) THE NUMBER OF APPLICANTS DENIED ENROLLMENT IN A
5 CHILD-ONLY PLAN AND THE REASONS FOR THE DENIALS.

6 (II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE JANUARY 1,
7 2014.

8 **SECTION 5. Appropriation - adjustments to the 2011 long bill.**

9 (1) The general assembly anticipates that, for the fiscal year beginning
10 July 1, 2011, the department of regulatory agencies, division of insurance,
11 will receive the sum of five thousand four hundred fifty-five dollars
12 (\$5,455) in federal funds for the implementation of this act. Said sum
13 shall be from funds received through the federal patient protection and
14 affordable care act, Pub. L. 111-148. Although these funds are not
15 appropriated in this act, they are noted for the purpose of indicating the
16 assumptions used relative to these funds.

17 (2) In addition to any other appropriation, there is hereby
18 appropriated to the department of law, for the fiscal year beginning July
19 1, 2011, the sum of two thousand nine hundred thirty-five dollars
20 (\$2,935), or so much thereof as may be necessary, for the provision of
21 legal services to the department of regulatory agencies related to the
22 implementation of this act. Said sum shall be from reappropriated funds
23 received from the department of regulatory agencies of out of the
24 appropriation made in subsection (1) of this section.

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