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

# REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction SENATE BILL 11-128

LLS NO. 11-0585.01 Kristen Forrestal

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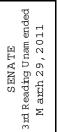
# A BILL FOR AN ACT

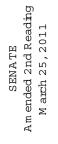
101	CONCERNING REQUIRING A CARRIER THAT PARTICIPATES IN THE
102	INDIVIDUAL HEALTH INSURANCE MARKET IN COLORADO TO
103	ISSUE CHILD-ONLY PLANS ON A GUARANTEED-ISSUE <u>BASIS, AND</u>
104	MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

## **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





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 <u>A HEALTH BENEFIT PLAN</u> THAT
17 IS ISSUED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (10.3)
18 AND THAT PROVIDES COVERAGE <u>TO AN INDIVIDUAL UNDER NINETEEN</u>
19 YEARS OF AGE. A "CHILD-ONLY PLAN" DOES NOT INCLUDE COVERAGE
20 PROVIDED TO A DEPENDENT UNDER AN INDIVIDUAL OR GROUP HEALTH
21 <u>BENEFIT</u> 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 EXISTING COVERAGE FOR ANY REASON OTHER THAN FRAUD, 7 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

(2) (a) EXCEPT AS SPECIFIED IN PARAGRAPH (b) OF <u>SUBSECTION (3)</u>
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. IN EACH YEAR THEREAFTER,

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<u>THE OPEN ENROLLMENT PERIODS SHALL BE IN JANUARY AND JULY. EACH</u>
 <u>PERIOD MUST LAST ONE</u> MONTH AND MUST BE FOLLOWED BY A
 THIRTY-DAY WAITING PERIOD FOR THE CHILD-ONLY PLANS TO TAKE
 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 <u>BASIS.</u>

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 (<u>3)</u> (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.

(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.

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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 ADDITIONAL FIFTY PERCENT OF THE AMOUNT THAT WOULD BE CHARGED 6 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 <u>REQUIRED IN SECTION 10-16-111 (4) (a):</u> 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 THE NUMBER OF APPLICANTS DENIED ENROLLMENT IN A (c) 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. <u>10-16-111 (4)</u>, 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 <u>FOLLOWING INFORMATION:</u>

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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	<u>2014.</u>
8	<b>SECTION 5.</b> 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.

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