

**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**

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**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

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**Senate Committees**

Health and Human Services  
Finance  
Appropriations

**House Committees**

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

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**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.*

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.

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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.

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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.