

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

INTRODUCED

LLS NO. 01-0328.03 Pam Cybyske [Julie Hoerner]

SENATE BILL 01-153

SENATE SPONSORSHIP

Hillman

HOUSE SPONSORSHIP

Tapia

Senate Committees

Health, Environment, Children & Families

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION OF AFFORDABLE HEALTH INSURANCE**
102 **THROUGH INCREASED CONSUMER CHOICE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Creates a health insurance policy that makes current mandatory health insurance coverage for newborn hospital stays after a normal vaginal delivery, maternity coverage for a normal pregnancy and vaginal delivery, low-dose mammography, mental illness and biologically based mental illness, prostate screenings, and child health supervision services, optional provisions at the discretion of the consumer. Makes any new mandated coverages subject to consumer choice after January 1, 2002.

Exempts plans issued by a valid multistate association from

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.

requirements to issue a health benefit plan that includes coverage for mental illness, biologically based mental illness, or alcoholism and coverage for business groups of one.

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

2 **SECTION 1.** The introductory portion to 10-16-104 (5),
3 10-16-104 (5.5) (a) (I), and the introductory portion to 10-16-104 (9) (a),
4 Colorado Revised Statutes, are amended, and the said 10-16-104 is further
5 amended BY THE ADDITION OF A NEW SUBSECTION, to read:

6 **10-16-104. Mandatory coverage provisions. (5) Mental illness.**
7 Every group policy or contract providing hospitalization or medical
8 benefits by an entity subject to the provisions of part 2 or 3 of this article,
9 EXCEPT FOR PLANS ISSUED BY VALID MULTISTATE ASSOCIATIONS AS
10 DEFINED IN SECTION 10-16-214 (2) (b), shall provide benefits for
11 conditions arising from mental illness at least equal to the following:

12 (5.5) **Biologically based mental illness.** (a) (I) Every group
13 policy, plan certificate, and contract of a carrier subject to the provisions
14 of part 2, 3, or 4 of this article, except those described in section
15 10-16-102 (21) (b) OR 10-16-214 (2) (b), shall provide coverage for the
16 treatment of biologically based mental illness that is no less extensive than
17 the coverage provided for any other physical illness.

18 (9) **Availability of coverage for alcoholism.** (a) Any other
19 provision of law to the contrary notwithstanding, no hospitalization or
20 medical benefits contract on a group basis issued by an insurer subject to
21 the provisions of part 2 of this article, EXCEPT FOR PLANS ISSUED BY VALID
22 MULTISTATE ASSOCIATIONS AS DEFINED IN SECTION 10-16-214 (2) (b), or
23 an entity subject to the provisions of part 3 of this article shall be sold in
24 this state unless the policyholder under such contract or persons holding

1 the master contract under such contract are offered the opportunity to
2 purchase coverage for benefits for the treatment of and for conditions
3 arising from alcoholism, which benefits are at least equal to the following
4 minimum requirements:

5 (15) ANY MANDATORY COVERAGE PROVISION ADDED AFTER
6 JANUARY 1, 2002, SHALL BE OPTIONAL TO THE CONSUMER PURSUANT TO
7 SECTION 10-16-104.3 FOR EVERY GROUP POLICY OR CONTRACT PROVIDING
8 HOSPITALIZATION OR MEDICAL BENEFITS BY AN ENTITY SUBJECT TO THE
9 PROVISIONS OF PART 2 OR 3 OF THIS ARTICLE.

10 **SECTION 2.** Part 1 of article 16 of title 10, Colorado Revised
11 Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

12 **10-16-104.3. Consumer choice health insurance coverage.**

13 (1) (a) SUBJECT TO THE PROVISIONS OF PARAGRAPH (b) OF THIS
14 SUBSECTION (1), NOTWITHSTANDING ANY PROVISION OF LAW TO THE
15 CONTRARY, A CARRIER MAY OFFER A HEALTH INSURANCE PLAN THAT DOES
16 NOT INCLUDE ANY OR ALL OF THE FOLLOWING BENEFITS OTHERWISE
17 REQUIRED UNDER SECTION 10-16-104:

18 (I) COVERAGE FOR NEWBORN CHILDREN AND MATERNITY TO THE
19 EXTENT NECESSARY FOR A NORMAL VAGINAL DELIVERY OR NORMAL
20 PREGNANCY UNDER SECTION 10-16-104 (1) OR (3);

21 (II) COVERAGE FOR LOW-DOSE MAMMOGRAPHY UNDER SECTION
22 10-16-104 (4);

23 (III) COVERAGE FOR MENTAL ILLNESS AND BIOLOGICALLY BASED
24 MENTAL ILLNESS UNDER SECTION 10-16-104 (5) AND (5.5);

25 (IV) COVERAGE FOR PROSTATE CANCER SCREENING UNDER
26 SECTION 10-16-104 (10);

27 (V) COVERAGE FOR CHILD HEALTH SUPERVISION SERVICES UNDER

1 SECTION 10-16-104 (11).

2 (b) NO POLICY MAY BE OFFERED UNDER THIS SUBSECTION (1)
3 UNLESS THE POLICY FORM FULLY DISCLOSES THE SPECIFIC COVERAGES
4 EXCLUDED FROM THE POLICY UNDER PARAGRAPH (a) OF THIS SUBSECTION
5 (1), AND THE POLICYHOLDER AGREES TO THE POLICY WITHOUT SUCH
6 COVERAGES.

7 (2) A CARRIER MAY CHARGE A SURCHARGE TO THE PREMIUM TO AN
8 INDIVIDUAL WHO CHANGES COVERAGE WITHIN A TWELVE-MONTH PERIOD
9 FROM A PLAN ISSUED PURSUANT TO SUBSECTION (1) OF THIS SECTION TO A
10 PLAN THAT COMPLIES WITH SECTION 10-16-104.

11 (3) ANY MANDATORY COVERAGE PROVISION ADDED TO SECTION
12 10-16-104 AFTER JANUARY 1, 2002, SHALL BE OPTIONAL TO THE
13 CONSUMER PURSUANT TO THIS SECTION FOR EVERY GROUP POLICY OR
14 CONTRACT PROVIDING HOSPITALIZATION OR MEDICAL BENEFITS BY AN
15 ENTITY SUBJECT TO THE PROVISIONS OF PART 2 OR 3 OF THIS ARTICLE.

16 **SECTION 3.** 10-16-214 (2) (a), Colorado Revised Statutes, is
17 amended to read:

18 **10-16-214. Group sickness and accident insurance.** (2) (a) The
19 provisions of this section shall not apply to transactions in this state
20 involving group sickness and accident insurance policies for policies
21 ~~which~~ THAT were lawfully issued and delivered in another jurisdiction in
22 which the company was authorized to do insurance business and any such
23 policy was issued to a valid multistate association located in the state of
24 issue, if the policy is not designed, administered, or marketed as a plan for
25 employers to provide coverage to one or more employees, EXCEPT AS
26 PROVIDED IN SECTION 10-8-601.5, and is not a bona fide association plan.

27 **SECTION 4.** The introductory portion to 10-8-601.5 (1) (c) (I) and

1 10-8-601.5 (1) (c) (I) (C), (1) (c) (I) (D), (1) (c) (I) (E), and (1) (c) (I) (G),
2 Colorado Revised Statutes, are amended to read:

3 **10-8-601.5. Applicability and scope.** (1) (c) (I) Effective
4 October 1, 1997, the provisions of this article and article 16 of this title
5 concerning small employer carriers and small group plans shall not apply
6 to an individual health benefit plan OR A PLAN ISSUED BY A VALID
7 MULTISTATE ASSOCIATION, AS DEFINED IN SECTION 10-16-214 (2) (b),
8 newly issued to a business group of one that includes only a
9 self-employed person who has no employees, or a sole proprietor who is
10 not offering or sponsoring health care coverage to his or her employees,
11 together with the dependents of such a self-employed person or sole
12 proprietor if, pursuant to rules adopted by the commissioner, all of the
13 following conditions are met:

14 (C) For at least the first three years after the initial effective date
15 of the policy, the percentage increase in rates upon renewal for plans sold
16 to business groups of one remains the same as the average percentage
17 increase in rates upon renewal for an individual health carrier's entire
18 book of individual health benefit plans OR A VALID MULTISTATE
19 ASSOCIATION PLAN CARRIER'S HEALTH BENEFIT PLANS sold to business
20 groups of one in Colorado, excluding changes attributable to
21 demographics.

22 (D) If the carrier rejects an application for a business group of one
23 self-employed person and the carrier does business in ~~both the individual~~
24 ~~and~~ small group markets AND DOES BUSINESS IN THE INDIVIDUAL MARKET
25 OR DOES BUSINESS IN A VALID MULTISTATE ASSOCIATION MARKET, the
26 carrier shall notify the applicant of the availability of coverage through the
27 small group market and of the availability of small group coverage

1 through the carrier.

2 (E) As part of its application form, ~~an individual~~ A carrier requires
3 a business group of one self-employed person purchasing an individual
4 health benefit plan OR PLAN ISSUED BY A VALID MULTISTATE ASSOCIATION
5 AS DEFINED IN SECTION 10-16-214 (2) (b) pursuant to this subparagraph (I)
6 to read and sign a disclosure form stating that, by purchasing an individual
7 policy OR PLAN ISSUED BY A VALID MULTISTATE ASSOCIATION AS DEFINED
8 IN SECTION 10-16-214 (2) (b) instead of a small group policy, such person
9 gives up what would otherwise be his or her right to purchase a business
10 group of one standard, basic, or other health benefit plan from a small
11 employer carrier for a period of three years after the date the individual
12 health benefit plan is purchased, unless a small employer carrier
13 voluntarily permits such person to purchase a business group of one
14 policy within such three-year period. The disclosure form shall also
15 briefly describe the factors used to set rates for the ~~individual policy~~ PLAN
16 being purchased in comparison with the factors used to set rates for a
17 business group of one small group policy. The individual carrier shall
18 provide to the business group of one self-employed applicant a copy of the
19 health benefit plan description form for the Colorado standard health
20 benefit plan in addition to the description form for the ~~individual~~ plan
21 being marketed. The disclosure form may be included within any other
22 certification form that the carrier uses for the plan. The division of
23 insurance shall make available a standard plan description form to
24 individual carriers upon request.

25 (G) Before marketing or selling individual health benefit plans OR
26 A PLAN ISSUED BY A VALID MULTISTATE ASSOCIATION AS DEFINED IN
27 SECTION 10-16-214 (2) (b) to business group of one self-employed

1 persons, and on or before March 1 of each year during which it markets
2 or sells such plans, the individual carrier provides to the commissioner
3 documentation that it meets the conditions of this subparagraph (I) and
4 submits data on the number of business groups of one covered.

5 **SECTION 5. Effective date - applicability.** (1) This act shall
6 take effect January 1, 2002, unless a referendum petition is filed during
7 the ninety-day period after final adjournment of the general assembly that
8 is allowed for submitting a referendum petition pursuant to article V,
9 section 1 (3) of the state constitution. If such a referendum petition is
10 filed against this act or an item, section, or part of this act within such
11 period, then the act, item, section, or part shall take effect on the specified
12 date only if approved by the people.

13 (2) The provisions of this act shall apply to health coverage plans
14 issued or renewed on or after the applicable effective date of this act.