

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

INTRODUCED

LLS NO. 01-0585.01 Julie Hoerner

HOUSE BILL 01-1065

HOUSE SPONSORSHIP

Madden

SENATE SPONSORSHIP

Hagedorn

House Committees

Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT HEALTH BENEFIT PLANS SUBJECT**
102 **TO STATE LAW CONTAIN A DISCLOSURE STATING THAT THE PLAN**
103 **IS REGULATED BY THE COLORADO INSURANCE COMMISSIONER.**

Bill Summary

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

Makes legislative findings and determinations. Requires that health coverage plans subject to state law and regulated by the division of insurance include a clear and understandable disclosure that the plan is regulated by the division of insurance in the department of regulatory agencies. If the materials supplied to insureds include a membership identification or proof of insurance card, requires that the front of such materials contain the declaration "Colo. law applies" or "CLA" in the

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.

upper right-hand corner.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds, determines, and declares that it is often difficult for an
4 insured to ascertain whether an insured's health coverage plan is subject
5 to state law and regulated by the Colorado division of insurance in the
6 department of regulatory agencies. The state has jurisdiction to regulate
7 certain health coverage plans pursuant to parts 2, 3, and 4 of article 16 of
8 title 10, Colorado Revised Statutes, and is in some instances preempted
9 from regulating plans that are subject only to federal law or other state
10 law. The type of plan an insured has affects how an insured may address
11 problems with or questions about health coverage plans, such as denial of
12 benefits and network adequacy. Insureds enrolled in health coverage
13 plans not governed only by state law often misspend valuable time seeking
14 assistance from the division of insurance before it is determined that the
15 division has no jurisdiction. During the determination of jurisdiction, not
16 only are such insureds losing valuable time, the division of insurance's
17 resources are misspent dealing with insureds with plans over which there
18 is no jurisdiction. Further, the division's resources for assisting persons
19 who do not have health coverage plans subject to state law and regulated
20 by the division are needlessly diverted. Therefore, the general assembly
21 hereby finds, determines, and declares that a printed disclosure included
22 in documents supplied to the insured including, but not limited to,
23 membership identification or proof of insurance cards, by the health
24 coverage carrier would assist the division of insurance, Coloradans, and
25 their advocates in efficiently determining whether the plan is subject to

1 state law.

2 **SECTION 2.** 10-16-107 (3) (b) (II), Colorado Revised Statutes,
3 is amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH
4 to read:

5 **10-16-107. Rate regulation - approval of policy forms - benefit**
6 **certificates - evidences of coverage - loss ratio guarantees - disclosures**
7 **on treatment of intractable pain.** (3) (b) An evidence of coverage shall
8 contain:

9 (II) A clear and complete statement, if a contract, or a reasonably
10 complete summary, if a certificate, of:

11 (F) A CLEAR AND UNDERSTANDABLE DECLARATION THAT THE
12 INSURED IS ENROLLED IN A HEALTH COVERAGE PLAN THAT IS SUBJECT TO
13 STATE LAW AND REGULATED BY THE COMMISSIONER. THE DECLARATION
14 SHALL BE INCLUDED IN THE HEALTH COVERAGE PLAN MATERIALS SUPPLIED
15 TO THE INSURED INCLUDING, BUT NOT LIMITED TO, CERTIFICATES OF
16 INSURANCE, MEMBERSHIP IDENTIFICATION, OR PROOF OF INSURANCE
17 CARDS. IN THE EVENT THE HEALTH COVERAGE PLAN SUPPLIES
18 CERTIFICATES TO THE INSURED, THE DECLARATION SHALL STATE ON THE
19 FRONT OF THE CERTIFICATE IN THE UPPER RIGHT-HAND CORNER "COLO.
20 LAW APPLIES" OR "CLA".

21 **SECTION 3. Effective date - applicability.** This act shall take
22 effect January 1, 2002, and shall apply to health coverage plans or policies
23 issued or renewed on or after said date.

24 **SECTION 4. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.