Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0792.01 Christy Chase x2008 **SENATE BILL 14-111**

SENATE SPONSORSHIP

Brophy,

HOUSE SPONSORSHIP

(None),

Senate Committees
State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

CONCERNING THE ABILITY OF A HEALTH INSURER TO OFFER TO COLORADO CONSUMERS A SMALL EMPLOYER HEALTH BENEFIT PLAN THAT IS APPROVED FOR ISSUANCE IN ANOTHER STATE.

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 directs the insurance commissioner to approve for sale in Colorado a small employer health benefit plan approved in another state if:

- ! The insurer or its affiliate or subsidiary is authorized to

transact business in Colorado and meets national association of insurance commissioners actuarial standards;

- The insurer agrees that the commissioner and Colorado courts will have jurisdiction over any policy disputes;
- The insurer complies with marketing requirements applicable to small employer carriers;
- The commissioner ensures that the insurer's provider network is adequate; and
- The insurer informs the commissioner if the policy will be priced the same in Colorado as in the other state.

The bill permits resident insurers to sell small employer health benefit plans with the same benefits as an out-of-state plan offered in Colorado.

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

SECTION 1. In Colorado Revised Statutes, **add** part 11 to article 16 of title 10 as follows:

PART 11

SALE OF OUT-OF-STATE SMALL EMPLOYER HEALTH BENEFIT PLANS

10-16-1101. Sale of small employer health benefit plans approved in other states. (1) THE COMMISSIONER SHALL APPROVE FOR SALE IN COLORADO ANY SMALL EMPLOYER HEALTH BENEFIT PLAN THAT IS CURRENTLY APPROVED FOR ISSUANCE IN ANOTHER STATE WHERE THE CARRIER OR THE CARRIER'S AFFILIATE OR SUBSIDIARY IS AUTHORIZED TO TRANSACT INSURANCE BUSINESS, SUBJECT TO THE FOLLOWING:

(a) APPROVAL MUST INCLUDE APPROVAL OF ANY RELEVANT POLICY FORMS AS LONG AS THE FORMS HAVE BEEN APPROVED BY THE APPROPRIATE REGULATORY BODY IN THE OTHER STATE;

(b) THE CARRIER OR THE CARRIER'S AFFILIATE OR SUBSIDIARY FILING AND ISSUING THE PLAN IN COLORADO MUST ALSO BE AUTHORIZED TO TRANSACT INSURANCE IN THIS STATE PURSUANT TO ARTICLE 3 OF THIS

TITLE;

(c) THE HEALTH BENEFIT PLAN MEETS THE REQUIREMENTS OF THIS PART 11;

(d) THE CARRIER AGREES THAT THE COMMISSIONER MAY ENFORCE THE PROVISIONS OF THE HEALTH BENEFIT PLAN AND RESOLVE DISPUTES BETWEEN THE CARRIER AND THE POLICYHOLDER IN THE SAME MANNER AS THE REGULATORY AUTHORITIES IN THE OTHER STATE, BUT IF A CONTESTED CASE ARISES, IT IS SUBJECT TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., AND ANY APPEALS MUST BE RESOLVED IN COLORADO COURTS;

(e) THE CARRIER INFORMS THE COMMISSIONER WHETHER THE HEALTH BENEFIT PLAN WILL BE PRICED AS IT IS IN THE OTHER STATE OR AT A COLORADO-SPECIFIC PRICE;

(f) THE CARRIER MUST COMPLY WITH SECTIONS 10-16-105 (1) (b) AND 10-16-108.5;

(g) THE COMMISSIONER SHALL REVIEW ANY PROVIDER NETWORK REQUIREMENTS IN THE HEALTH BENEFIT PLAN AND MAY REQUIRE MODIFICATION OF THOSE REQUIREMENTS IF THE CARRIER LACKS SUFFICIENT NETWORK PROVIDERS IN COLORADO; AND

(h) AN AUTHORIZED CARRIER MAY OFFER A SMALL EMPLOYER A HEALTH BENEFIT PLAN WITH BENEFITS EQUIVALENT TO THOSE IN ANY HEALTH BENEFIT PLAN APPROVED FOR SALE IN COLORADO UNDER THIS PART 11 AS LONG AS THE OFFERED HEALTH BENEFIT PLAN MEETS THE REQUIREMENTS OF THIS PART 11.

10-16-1102. Financial requirements - plan approval and continuing compliance - commissioner authority. (1) A CARRIER OFFERING A SMALL EMPLOYER HEALTH BENEFIT PLAN PURSUANT TO THIS

PART 11, AND ANY SMALL EMPLOYER HEALTH BENEFIT PLAN APPROVED PURSUANT TO THIS PART 11, SHALL SATISFY ACTUARIAL STANDARDS OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS OR ITS SUCCESSOR ORGANIZATION, THE REQUIREMENTS OF THIS PART 11, AND ANY RULES ADOPTED BY THE COMMISSIONER TO IMPLEMENT THIS PART 11.

(2) THE COMMISSIONER SHALL DETERMINE WHETHER A CARRIER SATISFIES THE REQUIREMENTS OF THIS PART 11 AND SHALL EXPEDITIOUSLY APPROVE SMALL EMPLOYER HEALTH BENEFIT PLANS THAT COMPLY WITH THIS PART 11. THE COMMISSIONER IS AUTHORIZED TO DETERMINE WHETHER A SMALL EMPLOYER HEALTH BENEFIT PLAN SOLD UNDER THIS PART 11 CONTINUES TO SATISFY THE REQUIREMENTS OF THIS PART 11 IN THE SAME MANNER AS FOR OTHER HEALTH BENEFIT PLANS UNDER THIS ARTICLE.

(3) ANY HEALTH BENEFIT PLAN SOLD UNDER THIS PART 11 MUST BE PROTECTED UNDER THE "LIFE AND HEALTH INSURANCE PROTECTION ASSOCIATION ACT", ARTICLE 20 OF THIS TITLE.

10-16-1103. Rules. (1) THE COMMISSIONER SHALL ADOPT RULES NECESSARY TO IMPLEMENT THIS PART 11.

(2) ANY DISPUTE RESOLUTION MECHANISM OR PROVISION FOR NOTICE AND HEARING IN THIS ARTICLE APPLIES TO CARRIERS ISSUING AND DELIVERING HEALTH BENEFIT PLANS PURSUANT TO THIS PART 11.

10-16-1104. Conflict with other provisions. IF THE PROVISIONS OF THIS PART 11 CONFLICT WITH ANY OTHER PROVISION OF THIS ARTICLE, THE PROVISIONS OF THIS PART 11 CONTROL.

10-16-1105. Authorization date. ON OR AFTER THE EFFECTIVE DATE OF THIS PART 11, A CARRIER OFFERING A HEALTH BENEFIT PLAN PURSUANT TO THIS PART 11 MAY ISSUE OR DELIVER FOR ISSUANCE IN THIS

STATE A SMALL EMPLOYER HEALTH BENEFIT PLAN THAT HAS BEEN APPROVED BY THE COMMISSIONER PURSUANT TO SECTION 10-16-1102 (2).

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.