

# INSURANCE

Research Notes are prepared by Legislative Council Staff's nonpartisan research and committee staff. Research notes provide a summary of the bill, background information on the bill, and information on committee hearings and amendments adopted on the bill as it moves through the legislative process. Legislative Council Staff prepares final research notes for bills passed by the General Assembly as well as select bills that were considered but not adopted, and may be accessed through the links below. Research notes are provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly.

## Insurance, Benefits, and Protections

**HB 15-1048** (Enacted)

Life Insurance Principle-based Reserve

**SB 15-262** (Enacted)

Blanket Sickness and Accident Insurance

## Title Insurance

**SB 15-210** (Enacted)

Title Insurance Commission

## Health Insurance

**HB 15-1083** (Enacted)

Patient Contribution Rehabilitation Services

**SB 15-015** (Enacted)

Mental Health Parity for Autism Spectrum Disorders

**SB 15-057** (Enacted)

Clean Claims Task Force Reporting Requirements

**SB 15-265** (Enacted)

Health Insurance Hospital Liens

## Health Exchange

**SB 15-019** (Enacted)

Health Exchange Audit

**SB 15-256** (Enacted)

Colorado Health Insurance Exchange Oversight

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1083

**Short Title:** *Patient Contribution Rehabilitation Services*

**Prime Sponsors:** Representative Primavera  
Senator Crowder

**Research Analyst:** Amanda King (x4332)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on June 5, 2015.

### Summary

The bill requires the Colorado Commission on Affordable Health Care to conduct a study concerning the costs, including patient cost-sharing, for physical rehabilitation services. Physical rehabilitation services include physical therapy, occupational therapy, or chiropractic services. The commission must report its findings to various committees of the General Assembly on or before November 1, 2015.

The act appropriates \$25,000 from the General Fund to the Colorado Commission on Affordable Health Care Cash Fund. Moneys in the fund are continuously appropriated to the Department of Public Health Care and Environment to the commission.

### Background

The Colorado Commission on Affordable Health Care was created in 2014. The mission of the commission is to ensure that Coloradans have access to affordable health care in Colorado. The commission is charged with identifying, examining, reviewing, and analyzing a number of issues related to health care costs. The commission must make annual reports of its findings and recommendations to the Governor and specific legislative committees.

### House Action

**House Health, Insurance, and Environment Committee (February 5, 2015).** At the hearing representatives of the American Physical Therapy Association, Atlantis Community, Inc., Colorado Chiropractic Association, Colorado Cross-Disability Coalition, and Occupational Therapy

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Association of Colorado and members of the public testified in support of the bill. Representatives of the America's Health Insurance Plans, Colorado Association of Commerce and Industry, Colorado Association of Health Plans, and Colorado Competitive Council testified in opposition to the bill. The bill was laid over at the request of the sponsor.

**House Health, Insurance, and Environment Committee (April 16, 2015).** The House Health, Insurance, and Environment Committee adopted amendment L.001 and referred the bill to the House Committee of the Whole.

Amendment L.001 requires the Colorado Commission on Affordable Health Care to conduct a study concerning the costs, including patient cost-sharing for physical rehabilitation services. The commission must report its findings to various committees of the General Assembly on or before November 1, 2015.

**House second reading (April 20, 2015).** The House adopted the House Health, Insurance, and Environment Committee report and passed the bill, as amended, on second reading.

**House third reading (April 21, 2015).** The House passed the bill on third reading with no amendments.

## **Senate Action**

**Senate State, Veterans, and Military Affairs Committee (April 27, 2015).** At the hearing, representatives of the Colorado Cross Disability Coalition and Colorado Physical Therapy, and a member of the public testified in support of the bill. No one testified in opposition to the bill. The Senate State, Veterans, and Military Affairs Committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate second reading (April 30, 2015).** The Senate referred the bill, unamended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (May 1, 2015).** The Senate Appropriations Committee postponed House Bill 15-1083 indefinitely.

**Senate Appropriations Committee (May 4, 2015).** The Senate Appropriations Committee moved to reconsider House Bill 15-1083. The committee adopted amendment L.009 and referred the bill, as amended, to the Senate Committee of the Whole.

Amendment L.009 appropriates \$25,000 from the General Fund to the Colorado Commission on Affordable Health Care Cash Fund. It states that moneys in the fund are continuously appropriated to the Department of Public Health Care and Environment to the commission.

**Senate second reading (May 5, 2015).** The Senate adopted the Senate Appropriations Committee report and passed the bill, as amended, on second reading.

**Senate third reading (May 6, 2015).** The Senate passed the bill on third reading with no amendments.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1048

**Short Title:** *Life Insurance Principle-based Reserve Requirement*

**Prime Sponsors:** Representative Williams  
Senator Balmer

**Research Analyst:** Amanda King (x4332)

### Current Status

This note reflects the final version of this bill, which will become effective on August 5, 2015, assuming no referendum petition is filed.

### Summary

The act changes the statutes concerning life insurance. The Commissioner of Insurance is authorized to adopt principle-based life insurance reserve requirements for life insurance policies. The act outlines when the manual of valuation instructions goes into effect, which includes after the manual has been adopted by at least 42 members of the National Association of Insurance Commissioners (NAIC), or three-fourths of the members voting, whichever is greater. The requirements of a principle-based valuation are outlined in the act. The act addresses what insurance company information is confidential by law.

### Background

The NAIC is the national standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. In Colorado, the chief insurance regulator is the Commissioner of Insurance. One of the duties of the commissioner is to supervise the business of insurance in Colorado to assure that it is conducted in accordance with the state laws and in such a manner as to protect policyholders and the general public.

In 2009, the NAIC adopted the Standard Valuation Law introducing a new method for calculating life insurance reserves, referred to as principle-based reserving. Under principle-based

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reserving, insurers set aside funds to pay insurance claims when due. Companies hold the higher of either the reserve using prescribed factors or the reserve which considers a wide range of future economic conditions and is computed using certain company experience factors. Under principle-based reserving, state laws establish principles upon which reserves are based rather than specific formulas.

## House Action

**House Health, Insurance, and Environment Committee (January 29, 2015).** At the hearing, representatives of the Division of Insurance in the Department of Regulatory Agencies and the United Services Automobile Association Life Insurance testified in support of the bill. No one testified in opposition to the bill. The committee referred the bill, unamended, to the House Appropriations Committee.

**House Appropriations Committee (February 6, 2015).** The House Appropriations Committee referred the bill, unamended, to the Committee of the Whole. No one testified on the bill.

**House second reading (February 19, 2015).** The House passed the bill, unamended, on second reading.

**House third reading (February 20, 2015).** The House passed the bill, unamended, on third reading.

## Senate Action

**Senate Business, Labor, and Technology Committee (March 9, 2015).** At the hearing, a representative of United Services Automobile Association Life Insurance testified in support of the bill. No one testified in opposition to the bill. The committee referred the bill, unamended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (March 13, 2015).** The Senate Appropriations Committee referred the bill, unamended, to the Committee of the Whole. No one testified on the bill.

**Senate second reading (March 17, 2015).** The Senate passed the bill, unamended, on second reading.

**Senate third reading (March 18, 2015).** The Senate passed the bill, unamended, on third reading.

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# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-265

**Short Title:** *Health Insurance Hospital Liens*

**Prime Sponsors:** Senator Cadman  
Representative Hullinghorst

**Research Analyst:** Kori Donaldson (x4976)

### Current Status

This research note reflects the final version of the bill, which becomes effective on August 5, 2015, assuming no referendum petition is filed.

### Summary

The bill requires hospitals licensed by the Colorado Department of Public Health and Environment (CDPHE) to submit charges for hospital care and services for a person injured by a third party to all of an injured person's payers of benefits before a lien for hospital care is created. The bill defines a injured person's payer of benefits as any of the following:

- an insurer;
- a health maintenance organization;
- a health benefit plan;
- a preferred provider organization;
- an employee benefit plan;
- a program of medical assistance under the Colorado Medical Assistance Act;
- the Children's Basic Health Plan;
- any other insurance policy or plan; or
- any other benefit available as a result of a contract entered into and paid for by or on behalf of an injured person.

If an injured person does not identify a payer of benefits, the hospital must make all reasonable efforts to locate any payer of benefits that may be available to the injured person prior to creating a lien. The bill allows injured persons who are subject to a lien in violation of the bill to bring action in a district court to recover two times the amount of the lien.

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## Background

A hospital lien is a claim against an asset filed by a hospital in order to recover all reasonable and necessary charges for a hospital stay or other care. Hospital liens are connected to the care of a person who was injured by the negligent or wrongful acts of another person.

Licensure is by CDPHE is mandatory for a health facility to operate in the state.

## Senate Action

**Senate Finance Committee (April 16, 2015).** At the hearing, four individuals testified in opposition to the bill and three individuals testified in support of the bill. The committee adopted amendments L.001 and L.002, both of which made technical changes to further clarify the intent of the bill. The committee referred the bill to the Senate Committee of the Whole.

**Senate second reading (April 21, 2015).** The Senate Committee of the Whole adopted the Senate Finance Committee report and amendment L.005, which further clarifies the steps a hospital must take before creating a lien for hospital care. Amendment L.005 also eliminates the ability of an individual to sue to recover attorney fees and court costs if he or she is subject to a lien in violation of the bill and chooses to bring action in a district court. The committee passed the bill as amended.

**Senate third reading (April 22, 2015).** The bill was adopted, as amended, by the full Senate.

## House Action

**House Judiciary Committee (April 28, 2015).** At the hearing, representatives of the Colorado Trial Lawyers Association and several individuals representing themselves as individuals injured in automobile accidents testified in support of the bill. Two representatives of Denver Health testified in opposition to the bill. The committee adopted amendment L.007, which makes a technical correction to the bill. The committee referred the bill to the House Committee of the Whole.

**House second reading (April 29, 2015).** The House Committee of the Whole passed the bill with no amendments.

**House third reading (April 30, 2015).** The bill was adopted by the full House.

## Relevant Research

How to Get Licensed by CDPHE: <http://tinyurl.com/ndr7vj6>



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-262

**Short Title:** *Blanket Sickness And Accident Insurance*

**Prime Sponsors:** Senator Neville T.  
Representative Williams

**Research Analyst:** Kori Donaldson (x4976)

### Current Status

This research note reflects the final version of the bill, which becomes effective on August 5, 2015, assuming no referendum petition is filed.

### Summary

The bill expands and clarifies which groups may obtain blanket sickness and accident insurance to include owners, employees, guests or participants of a sports team or camp, a religious, charitable, recreational, educational, or civic organization, and a restaurant, hotel, motel, resort, or inn. The Commissioner of Insurance is given additional authority to approve the issuance of a blanket sickness and accident policy to any other individual risk or class of risk.

### Background

The Division of Insurance, within the Department of Regulatory Agencies, regulates the insurance industry and assists consumers and other stakeholders with insurance issues. The division is overseen by the Commissioner of Insurance.

A blanket insurance policy covers a class of people not individually identified in an insurance contract, for instance the employees of a particular organization or the students enrolled at a particular college.

### Senate Action

***Senate Finance Committee (April 14, 2015).*** At the hearing, two representatives of the American International Group (AIG) testified in support of the bill. Another individual testified about the bill and asked questions about various provisions of the bill. The committee adopted

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amendment L.001, which is a strike-below amendment. Amendment L.001 does not change the effect of the bill. The committee referred the bill to the Senate Committee of the Whole.

**Senate second reading (April 17, 2015).** The Senate Committee of the Whole adopted the Senate Finance Committee report and passed the bill.

**Senate third reading (April 20, 2015).** The bill was adopted, as amended, by the full Senate.

## **House Action**

**House Health, Insurance, and Environment Committee (April 28, 2015).** At the hearing, a representative of AIG testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House second reading (April 29, 2015).** The House Committee of the Whole passed the bill with no amendments.

**House third reading (April 30, 2015).** The bill was adopted by the full House.

## **Relevant Research**

DORA Division of Insurance: <http://tinyurl.com/obpo5w5>

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# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-256

**Short Title:** *Colorado Health Insurance Exchange Oversight Committee*

**Prime Sponsors:** Senator Roberts  
Representative McCann

**Research Analyst:** Elizabeth Haskell (x6264)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on June 5, 2015.

### Summary

The bill renames the Legislative Health Benefit Exchange Implementation Review Committee to the Colorado Health Insurance Exchange Oversight Committee and allows the committee to meet an unlimited number of times during the legislative session and up to seven times per year outside of the session. The bill also increases the number of bills that may be referred by the committee from five bills per year to eight bills per year.

### Background

In accordance with Senate Bill 11-200, the Legislative Health Benefit Exchange Implementation Review Committee was created to guide the implementation of Colorado's health benefit exchange, Connect for Health Colorado. The committee was given authority to make recommendations to the General Assembly, carry legislation, review grants applied for by the exchange's board of directors, review the financial and operational plans of the exchange, and approve the appointment of an executive director to administer the exchange.

### Senate Action

***Senate Health and Human Services Committee (April 8, 2015).*** At the hearing, the sponsor presented the bill. There was no public testimony on the bill. The committee referred the

bill, unamended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (April 10, 2015).** The committee adopted amendment J.001 and referred the bill to the Senate Committee of the Whole. The amendment appropriates \$15,527 from the General Fund to the Legislative Department for use by the Legislative Council Staff and the General Assembly in FY 2015-16. The amendment also appropriated 0.1 additional FTE to the Legislative Council Staff. There was no public testimony on the bill.

**Senate second reading (April 14, 2015).** The Senate Committee of the Whole adopted the Senate Appropriations Committee report and passed the bill, as amended, on second reading.

**Senate third reading (April 15, 2015).** The Senate passed the bill on third reading with no amendments.

## House Action

**House Health, Insurance, and Environment Committee (April 21, 2015).** There was no public testimony during the committee hearing. The committee referred the bill to the House Legislative Council Committee with no amendments.

**House Legislative Council Committee (April 24, 2015).** During the committee hearing, the sponsors presented the bill and there was no public testimony. The committee adopted amendment L.002 and referred the bill to the House Appropriations Committee. Amendment L.002 set the number of meetings that the committee may hold during the interim at seven.

**House Appropriations Committee (April 29, 2015).** The committee adopted amendment J.003 and referred the bill to the House Committee of the Whole. The amendment reduces the appropriation made by the Senate from \$15,527 to \$9,587. There was no public testimony on the bill.

**House second reading (April 29, 2015).** The House Committee of the Whole adopted the House Legislative Council Committee and the House Appropriations Committee reports and passed the bill on second reading.

**House third reading (April 30, 2015).** The House passed the bill on third reading with no amendments.

## Relevant Research

- Legislative Health Benefit Exchange Implementation Review Committee, Final Report, Prepared by The Colorado Legislative Council Staff, Research Publication No. 644, December 2014. <https://goo.gl/WVLNzj>



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-210

**Short Title:** *Title Insurance Commission*

**Prime Sponsors:** Senator Woods  
Representative Arndt

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill creates the Title Insurance Commission, an advisory board to the Commissioner of Insurance, within the Division of Insurance in the Department of Regulatory Agencies (DORA) and establishes the powers, duties, and functions of the commission. The commission consists of nine members appointed by the Governor, including three members of the public.

The commission may propose rules, bulletins, position statements, and consumer protections related to title insurance to the Commissioner. It may also consult with the Commissioner or his or her designee about final agency actions related to enforcement, licensing, or market conduct actions related to title insurance. At each quarterly meeting, the commission will be provided with a written summary of complaints investigated and closed by the division without action. The Commissioner must respond to the commission if he or she chooses not to implement any proposal, advice, or recommendation of the commission. Any consumer protections recommended by the commission must be provided to the Commissioner and included in the Commissioner's annual report on title insurance.

The bill repeals the commission on September 1, 2025. Prior to its repeal, the commission is subject to sunset review.

### Background

Before purchasing a home, a home buyer typically purchases title insurance to provide financial protection to the buyer and lender in the event of title defects, liens, or other matters that

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would result in the seller not rightfully being able to transfer full ownership of the property to the buyer that are not discovered until after the sale of the property.

The commission created by Senate Bill 15-210 will replace the Title Advisory Committee, which is a non-statutory advisory committee consisting of 15 members from the title insurance industry that has provided suggestions to the state's insurance commissioner on how to improve the industry since 2003.

## **Senate Action**

**Senate Business, Labor, and Technology Committee (April 22, 2015).** At the hearing, representatives of Land Title Association, Title Company of the Rockies, and Land Title Guarantee Company, as well as private citizens, testified in support of the bill. A representative of the Division of Insurance testified in a neutral capacity. The committee adopted amendments L.002, L.003, L.004, L.005, L.006, and L.007 and referred the bill, as amended, to the Senate Finance Committee. Together, the amendments replaced the bill's introduced provisions regarding the Title Insurance Commission with new language. Specifically, the amendments removed language creating the commission as a Type 1 agency in state government with specific powers regarding the regulation of title insurance, including rule-making, conducting disciplinary hearings, and recommending licensing requirements. Instead, the amendments generally make the commission advisory to the Commissioner. In addition, the amendments increased the number of members of the commission, reduced the number of times the commission is required to meet annually, and removed language specifying that members of the commission and experts consulting with the commission are immune from suit in any civil action based on official acts performed in good faith.

**Senate Finance Committee (April 28, 2015).** At the hearing, a representative of Land Title Association of Colorado testified in support of the bill. The committee adopted amendment L.010, which amended the Business, Labor, and Technology Committee report to require that any consumer protections recommended by the commission be provided to the Commissioner and included in the Commissioner's annual report on title insurance. The committee referred the bill, as amended, to the Committee on Appropriations.

**Senate Appropriations Committee (April 30, 2015).** At the hearing, the committee adopted an amendment to remove language specifying that committee travel expenses must be paid from the General Fund and added an appropriation of \$3,200 from the Division of Insurance Cash Fund. The committee referred the bill, as amended, to the Senate Committee of the Whole.

**Senate second reading (May 4, 2015).** The Senate Committee of the Whole adopted the bill, as amended by the Senate Business, Labor, and Technology, Finance, and Appropriations committees, on second reading.

**Senate third reading (May 5, 2015).** The Senate adopted the bill, unamended, on third reading.

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## House Action

**House Finance Committee (May 5, 2015).** At the hearing, a representative of Colorado Land Title Association testified in support of the bill. The committee adopted amendments L.012 and L.013, which increased the funds appropriated to the Division of Insurance for the commission from \$3,200 to \$50,000. The committee referred the bill, as amended, to the House Appropriations Committee.

**House Appropriations Committee (May 5, 2015).** At the hearing, the committee adopted amendment J.004, which clarified that the appropriation for the commission would come from the Division of Insurance Cash Fund. The committee referred the bill, as amended, to the House Committee of the Whole.

**House second reading (May 5, 2015).** The House Committee of the Whole adopted the bill, as amended in the Finance and Appropriations committees, on second reading.

**House third reading (May 6, 2015).** The House adopted the bill, unamended, on third reading.

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# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-057

**Short Title:** *Clean Claims Task Force Reporting Requirements*

**Prime Sponsors:** Senator Balmer  
Representative Williams

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill changes the reporting requirements of the Colorado Medical Clean Claims Task Force to the Commissioner of Insurance in the Department of Regulatory Agencies and the House and Senate business committees.

### Background

The Colorado Medical Clean Claims Task Force is currently required to submit its final report to the Department of Health Care Policy and Financing (HCPF), the Senate Health and Human Services Committee, the House Health, Insurance, and Environment Committee, and the House Public Health Care and Human Services committee. The task force is responsible for developing a standardized set of payment rules and claim edits to be used by payers and health care providers in Colorado when claims are undisputed (clean claims). The task force has 25 members who are appointed by the executive director of HCPF. The bill directs that reports be submitted to the Commissioner of Insurance, the Senate Business, Labor, and Technology Committee, and the House Business Affairs and Labor Committee.

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## Senate Action

**Senate Business, Labor, and Technology Committee (January 26, 2015).** At the hearing, a representative of the Clean Claims Task Force testified in support of the bill. The committee adopted amendment L.001, which corrects the title of the House Business Affairs and Labor Committee and referred the bill, as amended, to the Senate Committee of the Whole.

**Senate Second Reading (January 29, 2015).** The Senate Committee of the Whole adopted the Senate Business, Labor, and Technology Committee report and passed the bill on second reading.

**Senate Third Reading (February 2, 2015).** The Senate adopted the bill, unamended, on third reading.

## House Action

**House Business Affairs and Labor Committee (February 24, 2015).** At the hearing, a representative of the Clean Claims Task Force testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (February 27, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House Third Reading (March 2, 2015).** The House adopted the bill, unamended, on third reading.

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**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-019

**Short Title:** *Health Exchange Audit*

**Prime Sponsors:** Senator Sonnenberg and Senator Jahn  
Representative Nordberg

**Research Analyst:** Elizabeth Haskell (x6264)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on April 3, 2015.

### Summary

The bill allows the Office of the State Auditor (OSA) to conduct a performance audit of the Colorado health benefit exchange (Connect for Health Colorado). The audit may cover Connect for Health Colorado's operations, contract management, project management, and performance of the shared eligibility system between Connect for Health Colorado and the Department of Health Care Policy and Financing, and any other shared systems involving Connect for Health Colorado. Upon completion of a performance audit, the OSA must submit a written report to the Legislative Audit Committee with any findings and recommendations. Performance audits of Connect for Health Colorado may be conducted at the discretion of the state auditor or the Legislative Audit Committee.

### Background

Current law provides that all moneys received by the Board of Directors of Connect for Health Colorado are subject to audit by the Legislative Audit Committee, and the board must report all moneys received for the exchange to the Legislative Audit Committee. OSA conducted a limited performance audit of Connect for Health Colorado and published a report in October 2014.

### Senate Action

**Senate Health and Human Services Committee (January 21, 2015).** At the hearing, representatives of the OSA, Connect for Health Colorado, Colorado Consumer Health Initiative,

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and the National Federation of Independent Business - Colorado testified in support of the bill. There was no public testimony in opposition to the bill.

The committee adopted amendment L.003, which clarifies the functions of Connect for Health Colorado that may be audited by the OSA to include the operation, contract management, project management, and performance of the shared eligibility system and any other related or corresponding state system in order to ensure a complete and thorough audit of the operation of the exchange. The committee referred the bill, as amended, to the Senate Committee of the Whole.

**Senate second reading (January 26, 2015).** The Senate Committee of the Whole adopted the Senate Health and Human Services Committee report and passed the bill, as amended, on second reading.

**Senate third reading (January 27, 2015).** The Senate passed the bill on third reading with no amendments.

## House Action

**House Public Health Care and Human Services Committee (March 10, 2015).** There was no public testimony during the committee hearing. The committee referred the bill to the House Committee of the Whole with no amendments.

**House second reading (March 13, 2015).** The House Committee of the Whole passed the bill on second reading with no amendments.

**House third reading (March 16, 2015).** The House passed the bill on third reading with no amendments.

## Relevant Research

- Colorado Health Insurance Benefits Exchange, Limited Performance Audit, October 2014  
<http://goo.gl/FjBKBX>

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# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-015

**Short Title:** *Mental Health Parity For Autism Spectrum Disorders*

**Prime Sponsors:** Senator Kefalas  
Representative Primavera

**Research Analyst:** Elizabeth Haskell (x6264)

### Current Status

This research note reflects the final version of the bill, which becomes effective on January 1, 2017, assuming no referendum petition is filed.

### Summary

The bill repeals the law that prohibits autism spectrum disorder (ASD) from being treated as a mental illness by health insurers and clarifies that ASD is a mental disorder for purposes of state and federal mental health parity laws which require that benefits for mental illnesses be no less extensive than the coverage provided for a physical illness. In addition, the bill adds registered behavior technicians to the definition of "autism services provider" and allows these providers to practice under the supervision of a more highly qualified autism services provider. The bill also eliminates any caps on the number of services or visits covered under the mandatory coverage for ASD.

### Background

Federal and state mental health parity laws generally require that a health insurance plan provide the same financial and treatment coverage for mental health services and substance abuse services as it offers for physical health services. The current Colorado mental health parity law specifically excludes ASD from the definition of mental illness.

In 2009, the General Assembly enacted Senate Bill 09-244, which required that health insurance plans in the state offer treatment for autism spectrum disorders, and set an annual dollar limit on the required benefit for treatment. Under the federal Patient Protection and Affordable Care Act (PPACA), coverage for ASD was classified as an essential health benefit in the event

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there was an existing state mandate for this coverage. However, the PPACA prohibited annual dollar limits on this coverage. In response to the PPACA prohibition, the General Assembly passed House Bill 13-1266 which, among other things, specified that the Commissioner of Insurance must promulgate rules concerning coverage for children with ASD, including setting the coverage for ASD services and visits at a level that is actuarially equivalent to the dollar limit of the coverage as it existed prior to the passage of House Bill 13-1266.

## **Senate Action**

**Senate Health and Human Services Committee (January 22, 2015).** At the hearing, representatives of the ARC of Colorado, the Arc of Arapahoe and Douglas counties, Colorado Cross-Disability Coalition, Autism Society of Colorado, and Colorado Developmental Disabilities Council testified in support of the bill. Four members of the public testified in support of the bill and a representative of the Division of Insurance in the Department of Regulatory Agencies responded to questions. There was no testimony in opposition to the bill.

The committee adopted amendment L.001, which sets the effective date of the bill to January 1, 2017, removes the authority of the Commissioner of Insurance to prescribe rules for the benefits associated with ASD, and clarifies that ASD is a "mental disorder" for purposes of mental health parity requirements.

The committee referred the bill, as amended, to the Senate Business, Labor, and Technology Committee.

**Senate Business, Labor, and Technology Committee (February 11, 2015).** At the hearing, a representative of the Arc of Colorado and one member of the public testified in support of the bill. There was no public testimony in opposition to the bill.

The committee adopted amendment L.002, which adds language clarifying that the definition of ASD is the same as is defined in the Diagnostic and Statistical Manual of Mental Disorders in effect at the time of diagnosis and specifying that coverage for ASD is for treatments that are considered medically necessary.

The committee referred the bill, as amended, to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

**Senate second reading (February 17, 2015).** The Senate Committee of the Whole adopted the Senate Health and Human Services Committee report and the Senate Business, Labor, and Technology Committee report and passed the bill, as amended, on second reading.

**Senate third reading (February 18, 2015).** The Senate passed the bill on third reading with no amendments.

## **House Action**

**House Health, Insurance, and Environment Committee (March 19, 2015).** At the hearing, representatives of the ARC of Colorado, the Arc of Arapahoe and Douglas counties, Kaiser Permanente, Firefly Autism, and one member of the public testified in support of the bill.

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There was no testimony in opposition to the bill. The committee referred the bill to the House Committee of the Whole with no amendments.

**House second reading (March 23, 2015).** The House Committee of the Whole passed the bill on second reading with no amendments.

**House third reading (March 24, 2015).** The House passed the bill on third reading with no amendments.