

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008)

Signed into Law			
Bill Number: HB 08-1180		Short Title: Unemployment Insurance Benefits Active Military Transfer	
Sponsors: <i>Rep. Stephens</i> <i>Sen. Shaffer</i>		Status: Signed into Law	
The act extends unemployment insurance benefits to spouses of military personnel who are transferred as part of their military responsibilities. The Division of Employment and Training within the Department of Labor and Employment must maintain records of claims made and amounts awarded to individuals who quit a job to relocate with an active-duty military spouse who is transferred. The division must annually report this information to the Business Affairs and Labor Committee of the House and the Business, Labor, and Technology Committee of the Senate. The provision allowing individuals who relocate with a military spouse to receive unemployment benefits repeals on July 1, 2018.		State Appropriations: No new appropriations are required for this act. The General Assembly does not appropriate the Unemployment Insurance Trust Fund.	
Bill Number: HB 08-1228		Short Title: Insurance Responsibility Unfair Business Practice	
Sponsors: <i>Rep. Green</i> <i>Sen. Gordon</i>		Status: Signed into Law	
The act authorizes the Commissioner of Insurance to collect restitution from an insurance producer (agent) or insurer for violating insurance laws or rules. Further, insurers are financially responsible for the unfair business practices of a producer authorized to sell its products if the insurer knew or should have known of the unfair business practices.		State Appropriations: No appropriation is needed to implement the act. The act gives the commission another disciplinary option.	
Bill Number: HB 08-1385		Short Title: Increased Health Insurance Transparency	
Sponsors: <i>Rep. Primavera</i> <i>Sen. Schwartz</i>		Status: Signed into Law	
The act requires the Insurance Commissioner to implement and maintain a consumer guide to health benefits coverage on the Division of Insurance website. The website must include information on each carrier, a link to the division's complaint form and index of complaints, and other information the commissioner determines to be useful to consumers. In addition, health care insurance producers and agents must disclose expected commission amounts to consumers.		State Appropriations: To implement the act, for FY 2008-09, the Department of Regulatory Agencies, Division of Insurance requires a cash fund appropriation of \$8,744 from the Division of Insurance Cash Fund.	

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Signed into Law (Cont.)			
Bill Number:	HB 08-1389	Short Title:	Fair Accountable Insurance Rates Act
Sponsors:	<i>Rep. M. Carroll Sen. Sandoval</i>	Status:	Signed into Law
<p>The act creates the Fair Accountable Insurance Rates Act for health insurance rates that take effect on or after January 1, 2009. Rate filings that include rate increases, must be filed with the commissioner at least 60 days prior to the proposed use of the rates. If the commissioner does not approve or disapprove the rates filed within a 60-day period, the insurance company may implement and reasonably rely on the rates on the condition that the commissioner may require correction of any deficiencies in the rate filing upon later review if the rate charged is excessive, inadequate, or unfairly discriminatory.</p> <p>The commissioner is required to disapprove a rate increase if any of the following apply:</p> <ul style="list-style-type: none"> • benefits provided are not reasonable in relation to the premiums charged; • the rate increase is excessive, inadequate, unfairly discriminatory, or do not comply with the provisions of Title 10, C.R.S., dealing with insurance; • Colorado claims experience and data, when available, do not justify the rate increase; or • the rate filing is incomplete. <p>The commissioner may also consider the expected benefits ratio for a health benefit plan, defined as the ratio of the value of the actual benefits, not including dividends, to the value of actual premiums not reduced by dividends, over the entire period for which rates are computed to provide coverage.</p> <p>The act includes a penalty of not more than \$10,000 per violation for a person or organization that knowingly withholds information that will affect the rates or premiums or provides false or misleading information to the commissioner or any statistical agent, advisory organization, or carrier. However, if a person or organization is found to have willfully withheld information or provided false or misleading information, a penalty of not more than \$25,000 may be assessed per violation.</p>		<p>State Appropriations:</p> <p>The act includes an appropriation from the Division of Insurance Cash Fund of \$309,985 and 4.5 FTE for allocation to the Division of Insurance, Department of Regulatory Agencies, for the regulation of insurance rates for the fiscal year beginning July 1, 2008.</p>	

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Signed into Law (Cont.)			
Bill Number:	HB 08-1389 (Cont.)	Short Title:	Fair Accountable Insurance Rates Act
Sponsors:	<i>Rep. M. Carroll</i> <i>Sen. Sandoval</i>	Status:	Signed into Law
<p>The act also allows the Consumer Insurance Council to issue an annual consumers' choice award to a health insurance carrier that has achieved the lowest rates, highest benefit ratio, and lowest complaint ratio for each line of insurance. Finally, under the new law, insurance carriers must submit certain cost information to the commissioner for each calendar year by June 1.</p>			
Bill Number:	HB 08-1390	Short Title:	CoverColorado
Sponsors:	<i>Rep. McGihon</i> <i>Sen. Isgar</i>	Status:	Signed into Law
<p>The act establishes a new funding structure for the CoverColorado program. Currently, CoverColorado is funded through member premiums and the Unclaimed Property Trust Fund (an approximate 50/50 split). In the event of a fund shortfall, a carrier assessment fee is assessed against insurers. With implementation of this act, beginning January 1, 2009, the new funding structure is as follows:</p> <ul style="list-style-type: none"> • 50 percent from premiums, grants, and donations; • 25 percent from the Unclaimed Property Trust Fund; and • up to 25 percent from special fees assessed against insurers. <p>Under the act, the CoverColorado Board is required to determine the amount of the special fees assessed against insurers in the event of a fund shortfall. The Insurance Commissioner has the authority to enforce payment of the special fees levied against insurers. If the program experiences unexpected growth in enrollment or claims expenses, the board may request additional funding from the Unclaimed Property Trust Fund.</p> <p>The act also establishes an 11-member CoverColorado Long-term Funding Task Force to develop a 10-year funding plan for the program. The plan must be submitted to the General Assembly by March 31, 2009. The Long-Term Funding Task Force repeals July 1, 2009.</p> <p>The program is set to repeal July 1, 2017, but prior to that date, the State Auditor must conduct or contract for a review and evaluation of the efficacy of the funding structure and report its findings to the General Assembly by January 1, 2017.</p>		<p>State Appropriations:</p> <p>The program does not receive a state appropriation but does receive a transfer from the Unclaimed Property Trust Fund. The annual transfer from the Unclaimed Property Trust Fund to CoverColorado is expected to be \$11.2 million in FY 2008-09 and \$30.4 million in FY 2009-10.</p>	

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Signed into Law (Cont.)			
Bill Number: HB 08-1393		Short Title: Consumer Transparency Health Care Act	
Sponsors: <i>Rep. Stephens</i> <i>Sen. Morse</i>		Status: Signed into Law	
The act requires the Insurance Commissioner to work with the Colorado Hospital Association (CHA) to include information about charges for the 25 most common inpatient procedures in the hospital report card. Hospitals must report the data to the CHA annually and the CHA must make the information available on its website by August 1, 2009.		State Appropriations: To implement the act, the Department of Regulatory Agencies, Division of Insurance, requires a cash funds appropriation of \$14,705 from the Division of Insurance Cash Fund in FY 2008-09.	
By March 1, 2009, and annually thereafter, health insurance carriers must submit certain information to the Department of Regulatory Agencies, Division of Insurance, with regard to the 25 most common inpatient procedures. The Division of Insurance must post that information on its website.			
Bill Number: HB 08-1407		Short Title: Penalty for Unreasonable Conduct of Insurers	
Sponsors: <i>Rep. Romanoff</i> <i>Sen. Gordon</i>		Status: Signed into Law	
The act prohibits the unreasonable delay or denial of payment of a claim for benefits owed by an insurance company, and provides remedies for claimants, including a new cause of action. If an action brought under this bill is found to be frivolous, the court shall award costs and attorney fees to the defendant in the action. The bill exempts workers' compensation, life and title insurance from its provisions. It increases the monetary penalties the Commissioner of Insurance can impose on insurance companies and agents for violations of law. It prohibits an insurance contract from giving the plan administrator sole discretion in determining eligibility for benefits. The bill expands the definition of restitution to include costs and expenses for lost time from work and attorney fees.		State Appropriations: The 2008 long bill is to be adjusted as follows: from the Department of Health Care Policy and Financing, Division of Medical Services Premiums, is decreased by \$277,780 of which, \$138,890 from the general fund and \$138,890 from federal funds.	

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Signed into Law (Cont.)	
<p>Bill Number: HB 08-1410</p> <p>Sponsors: <i>Rep. Kerr A.</i> <i>Sen. Tochtrop</i></p> <p>The act mandates that most health insurance plans cover screening tests for colorectal cancer with cost sharing limited to 10 percent of the cost of screening. The act specifies what tests are to be covered by an insurance benefit plan. In order for the act to go into effect July 1, 2009, the commission on mandated health insurance benefits must evaluate the effects of the addition of mandating colorectal cancer screenings on health insurance premiums and provide a report to the Insurance Commissioner with the results of the evaluation no later than December 31, 2008.</p>	<p>Short Title: Preventive Coverage Colorectal Cancer</p> <p>Status: Signed into Law</p> <p>State Appropriations:</p> <p style="padding-left: 40px;">No appropriation is needed to implement the act. The commission on mandated health insurance benefits will evaluate the costs to health care premiums.</p>
<p>Bill Number: SB 08-135</p> <p>Sponsors: <i>Sen. Mitchell</i> <i>Rep. Gagliardi</i></p> <p>The act requires state regulated health insurance carriers to issue to their members, a card or other device containing standardized benefit information that can be electronically scanned. The minimum information to be included is:</p> <ul style="list-style-type: none"> • covered person's name and the applicable plan number; • co-payment and deductible amounts; • an indication of whether the plan is regulated by the state; • contact information for carrier or plan administrator. <p>All carriers must issue the standardized, printed card by July 1, 2009, for new and renewal members and by July 1, 2010, for all plan members. In addition, the act requires the Commissioner of Insurance to convene a working group within 30 days after the effective date to develop specifications for the card or device and to adopt rules with specifications for the printed card. Carriers will have two years after the effective date of the rules to implement the standardized electronic coverage technology. Licensed or certified hospitals and physicians must use the standardized, printed card provided to covered persons. An insurance carrier or provider located in a rural area of the state, as determined by the commissioner, may apply to the commissioner for an extension of any of the deadlines imposed if meeting a particular deadline would impose a financial hardship on the rural carrier or provider.</p>	<p>Short Title: Health Insurance Standardized Benefits Card</p> <p>Status: Signed into Law</p> <p>State Appropriations:</p> <p style="padding-left: 40px;">To implement the act, the Department of Regulatory Agencies requires a cash funds appropriation of \$14,008 from the Division of Insurance Cash Fund for FY 2008-09.</p>

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Signed into Law (Cont.)			
Bill Number:	SB 08-217	Short Title:	Centennial Care Choices
Sponsors:	<i>Sen. Hagedorn Rep. McGihon</i>	Status:	Signed into Law
<p>The act requires the Department of Health Care Policy and Financing, in coordination with the Division of Insurance and a panel of experts, to prepare a request for information (RFI) from health insurance companies and other interested parties including the state of Colorado to design a new health insurance product known as a value benefit plan. The act states that the Governor will appoint the panel of experts which is to include persons experienced in implementing and managing health benefit plans, and persons experienced with disability and long-term care issues. If the Governor fails to appoint members of the panel by July 1, 2008, the Speaker of the House of Representatives and the President of the Senate will each appoint five members to the panel of experts by July 15, 2008. The RFI will be begin July 1, 2008. The value benefit plans (VBPs), at a minimum, must:</p> <ul style="list-style-type: none"> • offer benefits that approximate 80 percent of the actuarial value of the preferred provider organization plan offered to state employees; • include benefits for participation in wellness programs and incentives for participation in healthy behavior; • provide the lowest-level of benefits that may be offered in the state's individual market; • specify an adequate network of providers; • encourage the use of health information technology, telemedicine, and internet-based health care education materials and tools; • encourage the use of pay-for-performance systems for reimbursing health care providers; • encourage the use of regional networks of hospitals, physicians, community health centers, and other safety net providers; • limit rate setting characteristics to those based on age and geographic location of the policyholder with optional coverage choices for consumers; • be offered statewide and issued to any Colorado resident eligible; and • allow payment through a state-paid premium subsidy. 		<p>State Appropriations:</p> <p>To implement the act for FY 2008-09, the Department of Health Care Policy and Financing requires an appropriation of \$382,400 split equally between the General Fund and federal funds (\$191,200 each).</p> <p>Also for FY 2008-09, the Department of Regulatory Agencies, Division of Insurance, requires a cash funds appropriation of \$29,500 from the Division of Insurance Cash Fund.</p>	

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Signed into Law (Cont.)			
Bill Number:	SB 08-217 (Cont.)	Short Title:	Centennial Care Choices
Sponsors:	<i>Sen. Hagedorn Rep. McGihon</i>	Status:	Signed into Law
<p>The act states that the department, in collaboration with the division and the panel of experts, must provide a progress report to the legislative committees by December 15, 2008, on the status of the RFI. On or before March 1, 2009, the department, in collaboration with the division and the panel of experts, must provide a final report on the RFI to the legislative committees. The final report must include actuarial projections research on potential cost savings, and any legislative recommendations.</p> <p>The act directs the House and Senate Health and Human Services committees to review the final report, and determine whether to create the Centennial Care Choices Program, whether to create a premium subsidy program, and whether to create a permanent funding source for the program.</p> <p>If the General Assembly enacts legislation to create the Centennial Care Choices Program, and if a funding source is identified and approved, the department may develop a request for proposals (RFPs) to be issued to interested insurance carriers for the purpose of developing plan designs for the VBP. Prior to issuing a RPF, the department, the division, and the panel of experts, must develop a benchmark price or affordability standard for VBPs to ensure eligible individuals can afford the product. The RFP must meet the parameters of the RFI. An insurance carrier does not need to have a certificate of authority to submit an RFI or RFP, but they are required to have a certificate of authority to offer an approved VBP.</p>			
Bill Number:	SB 08-241	Short Title:	Worker's Compensation Apportion Multiple Devices
Sponsors:	<i>Sen. Tochtrop Rep. Marshall</i>	Status:	Signed into Law
<p>The act changes the Workers' Compensation Act of Colorado to allow claimants who have lost a body part from a work-related injury to receive more than one prosthetic. The bill also clarifies the fee schedule for all medical, surgical, hospital, dental, nursing, and vocational rehabilitation to apply to any party charged for services in connection with a workers' compensation claim.</p>		<p>State Appropriations:</p> <p>No increases in expenditures are expected in FY 2008-09 or FY 2009-10, but are possible in future years for workers' compensation benefit payments to state employees with work-related injuries.</p>	

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Postponed Indefinitely (Cont.)			
<p>Bill Number: SB 08-211</p> <p>Sponsors: <i>Sen. Tochtrop</i> <i>(None)</i></p>	<p>Short Title: Mandatory Medical Payments Coverage</p> <p>Status: Postponed Indefinitely</p>	<p>The bill would have required all automobile insurance policies issued on or after January 1, 2009, to include medical payments coverage of at least \$10,000 for the payment of all medically necessary and accident-related health care expenses for bodily injury arising out of the ownership, maintenance, or use of the motor vehicle. Payment would have been made to a first responder, licensed or certified hospital, or licensed health care provider, for medically necessary and accident-related health care services provided to the injured person within five years after the accident. If an insurer failed to include medical payments coverage in a policy, the policy would have been presumed to have included the minimum medical payments coverage.</p> <p>The medical payments coverage benefits would have been paid to persons or entities providing medically necessary and accident-related health care services in priority order to first responders, then to hospitals or trauma centers. Any remaining benefits would have been paid to providers of subsequent health care services. Medical payments coverage under the bill would have paid before health insurance and could have applied to any coinsurance or deductible amount required by a health insurance plan. The bill specified reimbursement rates for medical services provided.</p>	<p>State Appropriations:</p> <p>To implement this bill, the Department of Regulatory Agencies would have required a cash funds appropriation of \$63,512 from the Division of Insurance Cash Fund and 0.9 FTE for FY 2008-09, and the Department of Public Health and Environment requires a cash funds appropriation of \$678,863 from the Emergency Responders and Trauma Care Reimbursement Fund and 2.7 FTE for FY 2008-09.</p>
<p>Bill Number: HB 08-1009</p> <p>Sponsors: <i>Rep. Massey</i> <i>Sen. Morse</i></p>	<p>Short Title: Emergency Medical Care Coverage Auto Insurance</p> <p>Status: Postponed Indefinitely</p>	<p>The introduced bill, recommended by the Health Care Task Force, would have required insurance companies to include emergency medical coverage of at least \$15,000 on all motor vehicle policies beginning January 1, 2009. Current mandatory automobile insurance coverage is liability only. Liability coverage does not pay benefits to the at-fault driver in an accident nor to an insured if the at-fault driver is uninsured or underinsured. Emergency medical coverage would have provided at least \$15,000 per person in any one accident for all medically necessary and accident-related emergency medical care expenses regardless of fault. Insurance companies would have paid claims from this coverage to emergency medical or trauma care providers including first responders, trauma physicians, trauma centers, and hospital emergency rooms.</p>	<p>State Appropriations:</p> <p>The bill is assessed as no fiscal impact, however, the Department of Regulatory Agencies, Division of Insurance, may have minimal impacts due to an increase in inquiries from insurance agents, and the Department of Health Care Policy and Financing may see reduced costs for emergency medical services when Medicaid clients are injured in an automobile accident.</p>

Summary of Insurance Related Bills, 2008 Session (As of July 10, 2008) (Cont.)

Postponed Indefinitely (Cont.)	
<p>Bill Number: HB 08-1311</p> <p>Sponsors: <i>Rep. Swalm</i> <i>Sen. Johnson</i></p> <p>Beginning January 1, 2009, small employer health insurance carriers would have been required to offer a limited benefit health plan. Only employers who did not offer employer-sponsored health coverage in the prior 12 months could select the limited benefit plan. The bill outlined two limited health benefit plans options. The first option was limited to \$35,000 in total coverage per person, and did not allow for a deductible, but could require co-payments. The second option was limited to \$50,000 in total coverage per person, but could include a deductible and co-payments.</p>	<p>Short Title: Small Group Limited Health Benefit Plan</p> <p>Status: Postponed Indefinitely</p> <p><i>State Appropriations:</i></p> <p>To implement this bill, the Department of Regulatory Agencies would have required an appropriation of \$45,125 from the Division of Insurance Cash Fund and 0.6 FTE.</p>
<p>Bill Number: HB 08-1327</p> <p>Sponsors: <i>Rep. Gardner C.</i> <i>Sen. Mitchell S.</i></p> <p>The introduced bill would have allowed Colorado residents to purchase health insurance from companies that are not licenced in Colorado, but whose insurance products were lawfully sold in other states. The insurance company would have been subject to regulation by the Commissioner of Insurance with regard to enforcement of the contractual benefits under the health insurance product.</p>	<p>Short Title: Access Affordable Health Insurance Out of State</p> <p>Status: Postponed Indefinitely</p> <p><i>State Appropriations:</i></p> <p>To implement this bill, the Department of Regulatory Agencies would have required an appropriation of \$32,469 from the Division of Insurance Cash Fund and 0.5 FTE for FY 2008-09.</p>