

DEPARTMENT OF REGULATORY AGENCIES

Division of Insurance

3 CCR 702-4

LIFE, ACCIDENT AND HEALTH

Amended-Proposed Amended Regulation 4-6-3

CONCERNING COVERCOLORADO STANDARDIZED NOTICE FORM AND ELIGIBILITY REQUIREMENTS

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Section 1: Authority

This regulation is promulgated by the Commissioner of Insurance under the authority of §§ 10-1-109 and 10-8-520, C.R.S.

Section 2: **BasisScope and Purpose**

The purpose of this amended regulation is to specify standardized notice requirements to be used to notify individuals of their eligibility for CoverColorado.

Section 3: Applicability **and Scope**

This regulation applies to all carriers offering health benefit plans to residents of Colorado.

Section 4: Definitions

A. Definitions

1.A. "Carrier" ~~means an insurance company, non-profit hospital, medical-surgical and health service corporation, health maintenance organization or fraternal benefit society, which is authorized by the Commissioner to transact health insurance in Colorado shall have the same meaning as set forth in § 10-16-102 (8), C.R.S.~~

2.B. "Federally eligible individual" shall have the same meaning as defined in §10-16-105.5(1), C.R.S.

Section 45: Rules

BA. Notification Requirements for Individuals with Adverse Underwriting Decisions

1. In order to comply with § 10-8-521, C.R.S., all carriers giving notice to an applicant or insured of one or more of the following adverse underwriting determinations shall be required to give notice to the applicant or insured that he or she may be eligible for coverage under CoverColorado. Dependents of participants are also eligible for coverage under the program. The adverse underwriting decisions which require the carrier to notify the applicant/insured are:
 - a. The applicant **has been** rejected **or refused a health benefit plan** because of the medical condition or history of the applicant; or
 - b. The application was accepted, but the premium rate for insurance exceeds the rate available through CoverColorado; **or**
 - c. Coverage will be reduced, limited by a restrictive rider or by the exclusion of coverage for a pre-existing condition for longer than six months; **or**
 - d. Individual has a history of or medical condition that is on the presumptive list adopted by the CoverColorado Board.**
2. Carriers shall be required to complete the CoverColorado Notice Form for **every** adverse underwriting determination listed above. Carriers may print the CoverColorado Notice Form on their own stationery but shall use the order, format and content of the CoverColorado Notice Form, as prescribed by the Commissioner of Insurance.

~~3. The carrier shall attach a copy of the CoverColorado Program Notice Form to the notice of adverse underwriting determination sent to an applicant for insurance. The carrier shall attach a copy of the Notice Form to a copy of the policy and endorsement when it is sent to the insured in the case of an individual being accepted for health insurance coverage but at a premium rate exceeding the rate available through the CoverColorado Program.~~

- 43.** Insurers **shall** inform individuals they may be eligible for participation in the plan, without first requiring application to a carrier for health coverage, if a licensed physician has diagnosed the individual with a medical condition that is on the list of presumptive medical conditions established by the CoverColorado Board of Directors.

CB. Elements of the CoverColorado Notice Form for Adverse Underwriting Decisions

The elements of notification as determined by the Commissioner, which shall be given to individuals with adverse underwriting decisions are:

Applicant/Insureds:

1. Name.
2. Policy number (if applicable).
3. Reasons for notice: rejection of coverage, health rate higher than the rate available through CoverColorado or coverage that will be reduced by a restrictive rider or by excluding coverage for a pre-existing condition longer than six months or involuntarily terminated for reasons other than nonpayment of premium.
4. That the individual and dependents are eligible for the health care coverage through CoverColorado.

5. Name, address, contact person, and telephone number of CoverColorado Administrative Office to which interested persons should be referred.
6. Name and telephone number of underwriter or other contact at the carrier's office.
7. A statement that the applicant may receive information about the available CoverColorado benefits and exclusions by contacting the CoverColorado Administrative Office.

DC. Notification Requirements for Federally Eligible Individuals

4. Individuals who meet the definition of a federally eligible individual under §10-16-105.5, C.R.S., are automatically eligible for CoverColorado. A dependent of a federally eligible individual shall also be eligible for coverage under CoverColorado if the dependent satisfies the definition of "dependent" under § 10-16-102(14) C.R.S.

A1. When a termination of coverage results in a federally eligible individual, the group carrier shall provide notice to the individual as specified in paragraph E. Notice, to the extent practicable, shall be provided at a time consistent with notice required for certification of creditable coverage.

B2. When an individual carrier receives an application for coverage from a federally eligible individual, the individual carrier shall provide notice to the individual as specified in paragraph E.

ED. Elements of the CoverColorado Notice Form for Federally Eligible Individuals

The elements of notification as determined by the Commissioner, which **shall** be given to federally eligible individuals:

Applicant/Insureds:

1. Name.
2. Policy number (if applicable).
3. Notice that the individual and dependents, if applicable, may qualify for health insurance from CoverColorado as a federally eligible individual.
4. Name, address, contact person, and telephone number of CoverColorado Administrative Office to which interested persons should be referred.
5. A statement that the applicant may receive information about the available CoverColorado benefits and exclusions by contacting the CoverColorado Administrative Office.

Section 5. — Enforcement

Noncompliance with this regulation may result, after proper notice and hearing, in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance or other laws which include the imposition of fines and/or suspension or revocation of license.

Section 6. Severability

If any provision of this regulation or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of this regulation shall not be affected.

Section 7. Enforcement

Noncompliance with this Regulation may result, after proper notice and hearing, in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance or other laws which include the imposition of fines, issuance of cease and desist orders, and/or suspensions or revocation of license. Among others, the penalties provided for in §10-3-1108, C.R.S. may be applied.

Section 78. Effective Date

This regulation is amended effective ~~February 1, 2002~~ February 1, 2010.

Section 89. History

- ~~1.~~ New Regulation 91-3 effective April 1, 1991.
 - ~~2.~~ Regulation 91-3 was renumbered 4-6-3, effective June 1, 1992.
 - ~~3.~~ Amended effective April 1, 1994.
 - ~~4.~~ Amended effective November 1, 1997.
 - ~~5.~~ Amended effective September 1, 2000.
 - ~~6.~~ Emergency Regulation 01-E-1, effective January 1, 2002.
 - ~~7.~~ Amended effective February 1, 2002.
- Amended Regulation 4-6-3, effective February 1, 2010.