

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 21-0170.01 Kristen Forrestal x4217

SENATE BILL 21-090

SENATE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING THE RENEWAL OF A SMALL GROUP HEALTH BENEFIT**
102 **PLAN ISSUED TO AN EMPLOYER THAT NO LONGER MEETS THE**
103 **DEFINITION OF SMALL EMPLOYER AFTER THE SMALL GROUP**
104 **PLAN WAS FIRST ISSUED.**

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://leg.colorado.gov>.)

The bill clarifies that if a small employer has been issued a health benefit plan subject to small group insurance laws and rules, and then following the issuance date no longer meets the definition of "small

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
2nd Reading Unamended
March 11, 2021

SENATE
3rd Reading Unamended
February 26, 2021

SENATE
Amended 2nd Reading
February 25, 2021

employer", the small group insurance laws and rules continue to apply to the plan as long as the employer renews the current health benefit plan. If the employer opts to renew its current plan, the bill requires an insurance carrier to offer the employer the same small group health benefit plan or, if the same plan is no longer available, a similar plan that the carrier offers to other small employers.

The bill requires an insurance carrier to notify the employer that the small group insurance laws and rules will no longer apply if the employer fails to renew the current plan or elects to enroll in a different health benefit plan.

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

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-105.1, **add**
3 (3.5) as follows:

4 **10-16-105.1. Guaranteed renewability - exceptions - individual**
5 **and small employer health benefit plans - rules.** (3.5) (a) IF A CARRIER
6 ISSUES A SMALL GROUP HEALTH BENEFIT PLAN TO A SMALL EMPLOYER
7 THAT, AT THE TIME THE PLAN WAS ISSUED, WAS A SMALL EMPLOYER BUT
8 SUBSEQUENTLY EMPLOYS MORE THAN ONE HUNDRED ELIGIBLE
9 EMPLOYEES, THIS ARTICLE 16 AND ANY RULES PROMULGATED BY THE
10 COMMISSIONER CONCERNING SMALL GROUP HEALTH BENEFIT PLANS
11 CONTINUE TO APPLY TO THE HEALTH BENEFIT PLAN AS LONG AS THE
12 EMPLOYER RENEWS ITS CURRENT SMALL GROUP HEALTH BENEFIT PLAN OR
13 A SIMILAR PLAN OFFERED BY THE CARRIER PURSUANT TO SUBSECTION
14 (3.5)(b) OF THIS SECTION, IN ACCORDANCE WITH THE RENEWAL
15 REQUIREMENTS APPLICABLE TO OTHER SMALL GROUP HEALTH BENEFIT
16 PLANS SUBJECT TO THIS ARTICLE 16 AND RULES PROMULGATED BY THE
17 COMMISSIONER PURSUANT TO THIS ARTICLE 16.

18 (b) IF A SMALL EMPLOYER WAS ISSUED A SMALL GROUP HEALTH
19 BENEFIT PLAN AND SUBSEQUENTLY EMPLOYS MORE THAN ONE HUNDRED
20 EMPLOYEES AND THE EMPLOYER OPTS TO RENEW THE SMALL GROUP

1 HEALTH BENEFIT PLAN, THE CARRIER THAT ISSUED THE SMALL GROUP
2 HEALTH BENEFIT PLAN SHALL OFFER THE EMPLOYER THE SAME SMALL
3 GROUP HEALTH BENEFIT PLAN OR, IF THE SAME PLAN IS NO LONGER BEING
4 OFFERED TO ANY SMALL EMPLOYER, A SIMILAR SMALL GROUP HEALTH
5 BENEFIT PLAN THAT THE CARRIER OFFERS TO OTHER SMALL EMPLOYERS.

6 (c) A CARRIER THAT ISSUED A SMALL GROUP HEALTH BENEFIT
7 PLAN TO A SMALL EMPLOYER SHALL NOTIFY THE EMPLOYER, WITHIN SIXTY
8 DAYS AFTER BECOMING AWARE THAT THE EMPLOYER EMPLOYS MORE
9 THAN ONE HUNDRED EMPLOYEES, BUT NO LATER THAN THE ANNIVERSARY
10 DATE OF THE ISSUANCE OF THE EMPLOYER'S HEALTH BENEFIT PLAN, THAT
11 THE PROVISIONS OF COLORADO LAW GOVERNING SMALL GROUP HEALTH
12 BENEFIT PLANS WILL CEASE TO APPLY TO THE EMPLOYER IF THE EMPLOYER
13 FAILS TO RENEW ITS CURRENT SMALL GROUP HEALTH BENEFIT PLAN OR
14 ELECTS TO ENROLL IN A DIFFERENT HEALTH BENEFIT PLAN.

15 **SECTION 2. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly; except
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V
19 of the state constitution against this act or an item, section, or part of this
20 act within such period, then the act, item, section, or part will not take
21 effect unless approved by the people at the general election to be held in
22 November 2022 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.