



COLORADO

Department of
Regulatory Agencies

Division of Insurance

Amended Bulletin No. B-4.125

Concerning the Submission of Requests for an Actuarial Review of Legislative Proposals that May Impose a New Health Benefit Coverage Mandate on Health Benefit Plans

I. Background and Purpose

On June 8, 2022, Governor Polis signed Senate Bill 22-040 (SB22-040) into law, which directs the Colorado Division of Insurance (the Division) to retain a contractor(s) to perform an actuarial review of legislative proposals that may impose a new health benefit coverage mandate on health benefit plans or reduce or eliminate coverage mandated under health benefit plans. The funding for the first year of implementation was reduced by the legislature and, as set forth in § 10-16-155(9), C.R.S., the Division “shall not engage any contractor to perform an actuarial review unless the Division determines that there are adequate resources available within existing appropriations to compensate the contractor.”

The purpose of this bulletin is to provide guidance to members of the General Assembly who wish to submit a legislative proposal that involves a new health benefit coverage mandate or reduces or eliminates coverage mandated under health benefit plans (a health benefit legislative proposal) for an actuarial review.

Bulletins are the Division’s interpretations of existing insurance law or general statements of Division policy. Bulletins themselves establish neither binding norms nor finally determine issues or rights.

II. Applicability and Scope

This bulletin is intended to provide guidance to members of the General Assembly who wish to submit a legislative proposal to the Division for an actuarial review.

III. Division Position

As required by § 10-16-155(3)(a), C.R.S., members of the General Assembly who wish to submit a request to the Division for an actuarial review of a health benefit coverage legislative proposal must do so **no later than September 1** of the year preceding the regular legislative session in which the proposed legislation will be introduced. Requests for an actuarial review should be addressed to the Commissioner of Insurance (Commissioner), and may be submitted via mail or email at DORA_Ins_RulesandRecords@state.co.us.

The request for an actuarial review should include the following:

- A detailed description of the proposed new health benefit coverage or change (reduction or elimination) of an existing coverage and the target population if applicable; to the extent practicable, the proposal should describe the specific services (including Current Procedural terminology codes, if known), associated with the proposed benefit coverage or change;

- The description should define any key terms within the proposal (e.g., genetic disorders), to clarify the full range of illnesses, conditions, or other coverage parameters;
- The markets in which the proposed new health benefit coverage or change will be required (note: the scope of a SB40 analysis is limited to health benefit plans in the individual, small group, or large group markets, and does not include Medicaid or Medicare);
- The cost-sharing requirements associated with the proposed new health benefit coverage or change (e.g., benefit must be covered without cost-sharing, benefit can be subject to cost-sharing in the same manner as applied to similar benefits, etc.);
- Any draft legislative language or proposed similar legislation or models, if available and applicable, from other states;
- Any available data evaluating the potential long-term health care cost changes associated with the legislative proposal, and/or any potential health benefits (e.g., improved health outcomes) associated with the proposed coverage or coverage change;
 - Such data may include, but not be limited to, analyses from other states, data from the Medicare or Medicaid programs, data from pilot studies, and/or other supporting research;
- Any identified or potential data sources that would inform any component(s) of the actuarial review, as required by §§ 10-16-155(4) and (5), C.R.S.

The Division will review the health benefit coverage legislative proposal(s) submitted to ensure that requests are appropriate for an actuarial review (i.e., that the proposal involves a new health benefit coverage mandate or reduces or eliminates existing coverage provided under health benefit plans). The Division will also consider the funding available and the number of proposals received, and evaluate possible options for selecting the proposals evaluated for a legislative session, as needed.

If more legislative proposals are submitted to the Division for any one legislative session than funding is available for, the Commissioner will notify the Majority and Minority leadership of the House and Senate as follows:

- If more than two requests are submitted by a member(s) of the Majority party of the House of Representatives, the Division will notify the Majority leader of the House of Representatives; the Majority leader must notify the Division of the two proposals selected by Majority leadership **no later than September 15**;
- If more than one request is submitted by a member of the Minority party of the House of Representatives, the Division will notify the Minority leader of the House of Representatives; the Minority leader must notify the Division of the one proposal selected by Minority leadership **no later than September 15**;
- If more than two requests are submitted by a member(s) of the Majority party of the Senate, the Division will notify the Majority leader of the Senate; the Majority leader

must notify the Division of the two proposals selected by Majority leadership **no later than September 15;**

- If more than one request is submitted by a member of the Minority party of the Senate, the Division will notify the Minority leader of the Senate; the Minority leader must notify the Division of the one proposal selected by Minority leadership **no later than September 15.**

For the 2025 legislative session, and in subsequent years, the Division will notify the member of the General Assembly requesting an actuarial review of the decision whether a review will be undertaken **no later than September 30.** Except as required to obtain input from Senate and House leadership in selecting proposals for an actuarial review, all requests for an actuarial review, any subsequent clarifications regarding the request, and the Division's acceptance or denial of a request, will remain confidential in accordance with § 10-16-155(8), C.R.S. Upon formal introduction of the legislative proposal, the fiscal note prepared by Legislative Council Staff will indicate that the actuarial review is available, with a link to the review on the Division's website.

For those proposals that are selected for review, the Division shall work with the legislator to identify the specific criteria, parameters, and scope of the actuarial analysis that will be conducted. The Division's contractor will proceed with the analysis based on information that is received by October 15. The Division will inform the requested legislator of the anticipated schedule for completion of the review.

IV. Additional Division Resources

A. For More Information

Colorado Division of Insurance
Consumer Services, Life and Health Section
1560 Broadway, Suite 850 Denver, CO 80202
Tel. 303-894-7490 Toll-free (in state): 800-930-3745
Internet: <http://www.dora.colorado.gov/insurance>

B. Related Materials

- [SB 22-040 Actuarial Reviews Health Insurance Mandate Legislation](#)

V. History

Issued August 21, 2024.