HEALTH CARE INSURANCE - MANDATORY COVERAGES

A Publication of the Office of Legislative Legal Services[1]

Colorado law requires insurers offering health care policies within the state to provide a number of coverages. This does not mean that everyone must be insured, only that if someone buys a policy, the policy will cover at least these items. Colorado law does not apply to self-funded plans that may be offered by an employer to an employee. The federal Employee Income Retirement Security Act of 1974 regulates self-funded health benefit plans. Section 10-16-104, Colorado Revised Statutes, sets out the mandatory coverage provisions in detail.

For health care related to pregnancy, maternity, and childbirth, policies must include:

- Coverage for a dependent newborn child of the insured from the moment of birth, including coverage for injury or sickness of newborns and complications of pregnancy or childbirth;
- Coverage for a hospital stay following delivery or cesarean section; and
- Coverage for medically diagnosed congenital defects and birth abnormalities, including inherited enzymatic disorders caused by single gene defects involved in the metabolism of amino, organic, and fatty acids and for which medically standard methods of diagnosis, treatment, and monitoring exists (PKU).

For health care related to dependent children, including adopted children, policies must include:

- Coverage for claims of a custodial parent regarding a covered child living outside the normal geographic area;
- Coverage for certain preventive health services until the age of thirteen, including immunizations; and
- Hospitalization and general anesthesia for dental procedures in certain circumstances.

Policies must also provide coverage for certain cancer screenings including:

- A single baseline mammogram for women 35 to 40 years of age;
- Mammography screening at least once every two years for women 40 to 50

[1] This summary contains information commonly requested from the Office of Legislative Legal Services (OLLS). It does not represent an official legal position of the General Assembly or the State of Colorado and does not bind the members of the General Assembly. It is intended to provide a general overview of Colorado law as of the date of its preparation. Any person needing legal advice should consult his or her own lawyer and should not rely on the information in this memorandum.

years of age and annual screening for women 50 to 65 years of age or with high risk factors; and

- At least one annual prostate screening for men 50 years of age or older and for men 40 years of age to 50 who are at increased risk.

Policies must include the following provisions concerning mental illness, diabetes, and prosthetic devices:

- Biologically based mental illness must be treated as any other physical illness. Biologically based mental illness includes schizophrenia, schizoaffective disorder, bipolar affective disorder, major depressive disorder, and panic disorder. The law provides minimum coverages for inpatient care, partial hospitalization, and outpatient services related to mental illness.
- Commencing January 1, 2008, mental disorders must be treated as any other physical illness. Mental disorders include posttraumatic stress disorder, drug and alcohol disorders, dysthymia, cyclothymia, social phobia, agoraphobia with panic disorder, and general anxiety disorder, and anorexia nervosa and bulimia nervosa to the extent those diagnoses are treated on an out-patient, day treatment, and in-patient basis, exclusive of residential treatment.
- Small employers with fewer than 50 employees must offer mental illness coverage to their employees, but the coverage is waivable at the option of the employer.
- Mandated coverage for diabetes must include equipment, supplies, and prescribed outpatient self-management training and education.
- Benefits for prosthetic devices must be provided by an insurer at the same level as devices covered by Medicare.

Finally, insurers must offer their policyholders the option of coverage for alcoholism and hospice care.

Employers with 50 or fewer employees (small employers) may waive offering mental health care, alcoholism treatment, and hospice coverage and coverage for mammogram and prostate screenings pursuant to section 10-16-105 (7.2), C.R.S., by purchasing certain basic health benefit plans. These basic plans have been referred to as "mandate-lite" plans.

Section 10-16-103, C.R.S., requires anyone seeking legislation to expand the required coverages to submit to the legislative committee of reference a report addressing both the social and financial impact of the proposed additional requirement. Subsection (2) of that section lists the minimum requirements for the report. The report on the social impacts must include an analysis of the general public's use of the treatment and demand for insurance coverage. The report should also include an analysis of the effect on the general public of the lack of treatment and of insurance coverage for the treatment. The financial aspect of the report must provide an analysis of the impact of requiring such coverage on the cost of

treatment, the cost of insurance, and the overall cost of health care in Colorado.

Also, the General Assembly created a commission to evaluate the benefits of the mandated health benefits outlined in this memo in section 10-16-103.3, C.R.S. This commission has not complete its evaluation. However, information about meetings of this commission are available on the division of insurance's website:
http://www.dora.state.co.us/insurance/index.htm.

This summary does not include all the details and exceptions contained in state law and regulations. For more specific information consult Title 10 of the Colorado Revised Statutes. The specific statutory sections summarized in this legal memorandum are sections 10-16-102 to 10-16-104, C.R.S.

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