

[Colo. Rev. Stat. § 10-16-104.9.]

§ 10-16-104.9. Geographic areas for small employers: Colorado Health Care Coverage Act

(1) The commissioner shall promulgate a rule concerning geographic case characteristics, which may include metropolitan statistical areas for small employers. In promulgating such rule, the commissioner shall take testimony from all interested parties, including, but not limited to, consumer advocates and consumers, insurers, health care providers, the state demographer, and producers. The rule shall include, without limitation, the following features:

(a) If the rule establishes separate geographic areas, in rate filings to the commissioner, a carrier shall be required to show that rates reflect a relativity to rates for other areas in the state and that rates and relativities are not excessive, inadequate, or unfairly discriminatory in such geographic areas;

(b) The rule shall contain a determination of the appropriate population base for statistical reliability in determining geographic areas or metropolitan statistical areas;

(c)

(I) The rule shall provide justifications of why any separate geographic areas, which may include metropolitan statistical areas, serve the public interest in regard to ensuring that premium rates for different geographic areas of the state are not excessive, inadequate, or unfairly discriminatory;

(II) If the commissioner determines that metropolitan statistical areas are no longer the best method for addressing geographic case characteristics, the commissioner shall provide detailed justifications concerning the separate geographic areas, in connection with which the commissioner shall make public the impact the geographic case characteristics may have on insurance premiums for the separate geographic areas; and

(d) In adopting such rule, the commissioner may consider the cost of health care in a geographic area, experience of health care of any separate geographic area, and information including actuarial opinions or certifications and set loss ratios for loss ratio guarantees submitted by small employer carriers pursuant to section 10-16-107 (1). The cost of health care and experience and the population that may be served may be a consideration when determining whether separate geographic case characteristics are necessary, but shall not be the sole factors of separate geographic case characteristics, nor shall it compromise the public interest of insureds and potential insureds of this state.