

# **MESSAGE FROM MARSHA**

## **House District 19, State Representative**

### **INSURANCE INCONSISTENCIES...**

My door is always open to the people and I strongly believe the words written by Abraham Lincoln in June of 1865 ring true today, -that government of the people, by the people for the people shall not perish from the earth.

In the spirit of Abraham Lincoln's words, I received a call from a gentleman in Security who called to complain about a company that was requiring ALL of it's employees to purchase the company's health care plan. Mr. Smith was retired from the Army and was already receiving Tri-Care insurance coverage for himself and his family. He did not need the secondary insurance coverage, nor could he or his family afford the secondary health care coverage. The company's insurance was costing him an additional \$800 a month, a cost that was a hardship to him and his family. A secondary health care plan that did not work for him or his family because of the red tape and endless hours of filling out forms and following up on insurance claims.

I spend many hours with Colorado's Insurance Commissioner, Marcy Morrison regarding this issue. Is it right or fair to require employees to purchase a secondary insurance plan if the employee could prove that they already had credible insurance coverage from another insurance carrier? The Division of Insurance investigated the case and found out that the employer, not the insurance company was requiring the coverage!

According to the Division of Insurance, the employer receives "fringe benefits" money from the federal government in compliance with the Federal Service Contracts Act that is used to cover the cost of health insurance for employees working on federal contracts. There is a small amount left over after the health premium allocation that can either help pay for the employee's dependent coverage(if they choose) or it goes into the employees 401(K).

The Colorado Insurance Commission and Colorado Statutes have jurisdiction

over health carriers and employers with 50 or fewer eligible employees. The Commission released Bulletin No. B-4.26 to recap Colorado's Insurance Law, and it states the following:

Existing law requires small employers carriers applying minimum participation requirements with respect to an employer to EXCLUDE EMPLOYEES OR DEPENDENTS WHO HAVE CREDIBLE GROUP OR INDIVIDUAL COVERAGE.

Credible coverage is defined as:

- Medicare or Medicaid
- An employee welfare benefit plan, group health insurance or health benefit plan
- An individual health benefit plan
- A state health benefits risk pool including Cover Colorado
- Coverage under TriCare for members and former members of the military and their dependents
- By a tribe of the Indian Health Service
- The Federal Employee Health Benefits Plan
- Through the Peace Corps

Carriers shall not require small group employers to require employees or dependents with in-force health credible group coverage of individual coverage as set out above to participate in the employer's health benefit plan. Carriers may not require employers nor employees to pay premiums for coverage under the small group plan if the employee or dependent has and continues existing creditable group coverage or individual coverage.

It is clear that the State of Colorado DOES NOT allow employers to require employees purchase their health care plan if they employee already has coverage. Unfortunately, this company has over 50 employees and must comply with federal insurance policies and not Colorado insurance policies.

Since I began working on this issue for Mr. Smith, many other retired Army, Air Force, Navy personnel and Reservists have complained that they are required to purchase the employer health care plan as a condition of employment. Is it fair that workers who can prove that they have credible insurance coverage from another source have to pay for a secondary insurance plan that they may never use?

Mr. Smith and others could use the \$800 a month, \$9,600 a year for many other needed expenses.

This is another example of State policy that conflicts with Federal policy. Do you believe that the State Policy is more equitable than the Federal Policy?

After all of the sacrifices these men, women and their families have endured for our freedoms and liberties isn't it time that even the large companies follow Colorado's lead and treat our military with respect and honor!

If you have any questions or concerns about this issue or any other issue, please call me at 719-238-5600, email me at [marshalooper@hughes.net](mailto:marshalooper@hughes.net) or visit my website at [WWW.GOMARSHA.ORG](http://WWW.GOMARSHA.ORG). Thank you for giving me the opportunity to represent you!

Respectfully,

Marsha Looper  
Colorado State Representative  
House District 19