

**Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0623.01 Christopher McMichael x4775

**SENATE BILL 24-073**

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**SENATE SPONSORSHIP**

**Smallwood and Rodriguez**, Bridges, Buckner, Cutter, Exum, Ginal, Hansen, Kirkmeyer, Mullica, Priola

**HOUSE SPONSORSHIP**

**Velasco and Titone**,

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**Senate Committees**  
Health & Human Services

**House Committees**  
Health & Human Services

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**A BILL FOR AN ACT**

101      **CONCERNING A CHANGE TO THE MAXIMUM NUMBER OF EMPLOYEES**  
102              **THAT AN EMPLOYER MAY EMPLOY TO QUALIFY AS A SMALL**  
103              **EMPLOYER FOR HEALTH-CARE INSURANCE COVERAGE.**

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**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>.)*

For the purposes of providing health insurance coverage, current law defines a "small employer" as any individual, firm, corporation, partnership, or association that employs between one and 100 employees during a calendar year. Effective January 1, 2026, the bill amends the definition to define a "small employer" as any person that employs

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

SENATE  
3rd Reading Unamended  
February 26, 2024

SENATE  
2nd Reading Unamended  
February 23, 2024

between one and 50 employees during a calendar year.

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

2           **SECTION 1.** In Colorado Revised Statutes, 10-16-102, **amend**  
3 (40.5)(a) introductory portion, (40.5)(a)(II), (61)(b) introductory portion,  
4 and (61)(b)(II) as follows:

5           **10-16-102. Definitions.** As used in this article 16, unless the  
6 context otherwise requires:

7           (40.5) (a) "Large employer" means any person ~~firm, corporation,~~  
8 ~~partnership, or association~~ that:

9           (II) Employed an average of more than ~~one hundred~~ FIFTY eligible  
10 employees on business days during the immediately preceding calendar  
11 year, except as provided in subsection (40.5)(c) of this section; and

12           (61) (b) ~~Effective January 1, 2016,~~ "Small employer" means any  
13 person ~~firm, corporation, partnership, or association~~ that:

14           (II) Employed an average of at least one but not more than ~~one~~  
15 ~~hundred~~ FIFTY eligible employees on business days during the  
16 immediately preceding calendar year, except as provided in ~~paragraph (c)~~  
17 ~~of this subsection (61)~~ SUBSECTION (61)(e) OF THIS SECTION; and

18           **SECTION 2.** In Colorado Revised Statutes, 10-16-105.1, **amend**  
19 (3.5) as follows:

20           **10-16-105.1. Guaranteed renewability - exceptions - individual**  
21 **and small employer health benefit plans - rules.** (3.5) (a) If a carrier  
22 issues a small group health benefit plan to a small employer that, at the  
23 time the plan was issued, was a small employer but subsequently employs  
24 more than ~~one hundred~~ FIFTY eligible employees, this article 16 and any  
25 rules promulgated by the commissioner concerning small group health

1 benefit plans continue to apply to the health benefit plan as long as the  
2 employer renews its current small group health benefit plan or a similar  
3 plan offered by the carrier pursuant to subsection (3.5)(b) of this section,  
4 in accordance with the renewal requirements applicable to other small  
5 group health benefit plans subject to this article 16 and rules promulgated  
6 by the commissioner pursuant to this article 16.

7 (b) If a small employer was issued a small group health benefit  
8 plan and subsequently employs more than ~~one hundred~~ FIFTY employees  
9 and the employer opts to renew the small group health benefit plan, the  
10 carrier that issued the small group health benefit plan shall offer the  
11 employer the same small group health benefit plan or, if the same plan is  
12 no longer being offered to any small employer, a similar small group  
13 health benefit plan that the carrier offers to other small employers.

14 (c) A carrier that issued a small group health benefit plan to a  
15 small employer shall notify the employer, within sixty days after  
16 becoming aware that the employer employs more than ~~one hundred~~ FIFTY  
17 employees, but no later than the anniversary date of the issuance of the  
18 employer's health benefit plan, that the provisions of Colorado law  
19 governing small group health benefit plans will cease to apply to the  
20 employer if the employer fails to renew its current small group health  
21 benefit plan or elects to enroll in a different health benefit plan.

22 (d) (I) IF AN EMPLOYER WAS ISSUED A SMALL GROUP HEALTH  
23 BENEFIT PLAN BEFORE JANUARY 1, 2026, AND EMPLOYS BETWEEN  
24 FIFTY-ONE AND ONE HUNDRED EMPLOYEES, THE EMPLOYER MAY ELECT TO  
25 KEEP THE SMALL GROUP HEALTH BENEFIT PLAN OFFERED BY THE CARRIER  
26 FOR FIVE YEARS AFTER THE DATE OF THE ISSUANCE OF THE EMPLOYER'S  
27 HEALTH BENEFIT PLAN OR ELECT TO ENTER THE LARGE GROUP HEALTH

1 BENEFIT MARKET AT THE EXPIRATION OF THE EMPLOYER'S EXISTING  
2 HEALTH BENEFIT PLAN.

3 (II) AN EMPLOYER THAT WAS ISSUED A SMALL GROUP HEALTH  
4 BENEFIT PLAN BEFORE JANUARY 1, 2026, AND EMPLOYS BETWEEN  
5 FIFTY-ONE AND ONE HUNDRED EMPLOYEES MAY SWITCH BETWEEN SMALL  
6 GROUP HEALTH BENEFIT PLANS BEING OFFERED BY THE CARRIER FOR FIVE  
7 YEARS AFTER THE DATE OF THE ISSUANCE OF THE EMPLOYER'S HEALTH  
8 BENEFIT PLAN.

9 (III) IF AN EMPLOYER THAT WAS ISSUED A SMALL GROUP HEALTH  
10 BENEFIT PLAN BEFORE JANUARY 1, 2026, AND EMPLOYS BETWEEN  
11 FIFTY-ONE AND ONE HUNDRED EMPLOYEES ELECTS TO ENTER THE LARGE  
12 GROUP HEALTH BENEFIT MARKET AND NOT TO CONTINUE RECEIVING  
13 COVERAGE UNDER A SMALL GROUP HEALTH BENEFIT PLAN BEFORE THE  
14 EXPIRATION OF THE FIVE-YEAR PERIOD DESCRIBED IN SUBSECTION  
15 (3.5)(d)(I), THE EMPLOYER MAY NOT SWITCH BACK TO RECEIVING SMALL  
16 GROUP HEALTH BENEFIT COVERAGE WITHIN THE FIVE-YEAR PERIOD AND IS  
17 CLASSIFIED AS A LARGE EMPLOYER, AS DEFINED IN SECTION 10-16-102  
18 (40.5).

19 (e) (I) ON OR BEFORE JULY 1, 2025, CARRIERS OFFERING SMALL  
20 GROUP HEALTH BENEFIT PLANS SHALL SUBMIT TWO RATE FILINGS FOR  
21 PLAN YEARS 2025 AND 2026 FOR SMALL GROUP HEALTH BENEFIT PLANS.  
22 THE TWO RATE FILINGS MUST DEMONSTRATE THE IMPACT OF SENATE BILL  
23 24-073, ENACTED IN 2024, ON PREMIUMS FOR SMALL GROUP HEALTH  
24 BENEFIT PLANS FOR EMPLOYERS WITH FEWER THAN FIFTY-ONE  
25 EMPLOYEES.

26 (II) THIS SUBSECTION (3.5), SECTION 10-16-102 (40.5) AND (61),  
27 AND SECTION 10-16-1401 (15), AS AMENDED BY SENATE BILL 24-073,

1 ENACTED IN 2024, WILL BE REPEALED IF THE RATE FILINGS SUBMITTED BY  
2 CARRIERS PURSUANT TO SUBSECTION (3.5)(d)(I) OF THIS SECTION  
3 DEMONSTRATE THAT THE PREMIUMS FOR THE MAJORITY OF INDIVIDUALS  
4 COVERED BY SMALL GROUP HEALTH BENEFIT PLANS WOULD INCREASE BY  
5 MORE THAN THREE PERCENT AFTER ACCOUNTING FOR TYPICAL MARKET  
6 FLUCTUATIONS AND NORMAL PREMIUM TRENDS FOR SMALL GROUP HEALTH  
7 BENEFIT PLANS.

8 (III) THE COMMISSIONER SHALL NOTIFY THE REVISOR OF STATUTES  
9 IN WRITING OF THE DATE WHEN THE CONDITIONS SPECIFIED IN SUBSECTION  
10 (3.5)(d)(II) OF THIS SECTION HAVE OCCURRED BY E-MAILING THE NOTICE  
11 TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS SUBSECTION (3.5),  
12 SECTION 10-16-102 (40.5) AND (61), AND SECTION 10-16-1401 (15), AS  
13 AMENDED BY SENATE BILL 24-073, ENACTED IN 2024, ARE REPEALED  
14 UPON THE DATE IDENTIFIED IN THE NOTICE THAT THE CONDITIONS  
15 SPECIFIED IN SUBSECTION (3.5)(d)(II) OF THIS SECTION HAVE OCCURRED  
16 OR, IF THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE  
17 NOTICE TO THE REVISOR OF STATUTES.

18 **SECTION 3.** In Colorado Revised Statutes, 10-16-1401, **amend**  
19 (15)(a) introductory portion and (15)(a)(II) as follows:

20 **10-16-1401. Definitions.** As used in this part 14, unless the  
21 context otherwise requires:

22 (15) (a) "Large employer" means any person ~~firm, corporation,~~  
23 ~~partnership, or association~~ that:

24 (II) Employed an average of more than ~~one hundred~~ FIFTY eligible  
25 employees on business days during the immediately preceding calendar  
26 year, except as provided in subsection (15)(c) of this section; and

27 **SECTION 4. Act subject to petition - effective date.** This act

1 takes effect January 1, 2026; except that section 10-16-105.1 (3.5)(d),  
2 Colorado Revised Statutes, as enacted in section 2 of this act, takes effect  
3 upon passage; except that, if a referendum petition is filed pursuant to  
4 section 1 (3) of article V of the state constitution against this act or an  
5 item, section, or part of this act within the ninety-day period after final  
6 adjournment of the general assembly, then the act, item, section, or part  
7 will not take effect unless approved by the people at the general election  
8 to be held in November 2024 and, in such case, will take effect January  
9 1, 2026, or on the date of the official declaration of the vote thereon by  
10 the governor, whichever is later.