



Senate

General Assembly

File No. 30

February Session, 2002

Senate Bill No. 253

Senate, March 15, 2002

The Committee on Insurance and Real Estate reported through SEN. BOZEK of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING EXTENSION OF HEALTH BENEFITS UNDER GROUP INSURANCE PLANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-554 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 A group comprehensive health care plan shall contain the minimum
4 standard benefits prescribed in section 38a-553 and shall also conform
5 in substance to the requirements of this section.

6 (a) The plan shall be one under which the individuals eligible to be
7 covered include: (1) Each eligible employee; (2) the spouse of each
8 eligible employee, who shall be considered a dependent for the
9 purposes of this section; and (3) dependent unmarried children, who
10 are under the age of nineteen or are full-time students under the age of
11 twenty-three at an accredited institution of higher learning.

12 (b) The plan shall provide the option to continue coverage under

13 each of the following circumstances until the individual is eligible for
14 other group insurance, except as provided in subdivisions (3) and (4)
15 of this subsection: (1) Notwithstanding any [contrary] provision of this
16 section, upon layoff, reduction of hours, leave of absence, or
17 termination of employment, other than as a result of death of the
18 employee or as a result of such employee's "gross misconduct" as that
19 term is used in 29 USC 1163(2), continuation of coverage for such
20 employee and [his] such employee's covered dependents for the
21 periods set forth for such event under federal extension requirements
22 established by the federal Consolidated Omnibus Budget
23 Reconciliation Act of 1985 (P.L. 99-272), as amended from time to time,
24 (COBRA); (2) upon the death of the employee, continuation of
25 coverage for the covered dependents of such employee for the periods
26 set forth for such event under federal extension requirements
27 established by the Consolidated Omnibus Budget Reconciliation Act of
28 1985 (P.L. 99-272), as amended from time to time, (COBRA); (3)
29 regardless of the employee's or dependent's eligibility for other group
30 insurance, during an employee's absence due to illness or injury,
31 continuation of coverage for such employee and [his] such employee's
32 covered dependents during continuance of such illness or injury or for
33 up to twelve months from the beginning of such absence; (4)
34 regardless of an individual's eligibility for other group insurance, upon
35 termination of the group plan, coverage for covered individuals who
36 were totally disabled on the date of termination [,] shall be continued
37 without premium payment during the continuance of such disability
38 for a period of twelve calendar months following the calendar month
39 in which the plan was terminated, provided claim is submitted
40 [therefor] for coverage within one year of the termination of the plan;
41 (5) the coverage of any covered individual shall terminate: (A) As to a
42 child, the plan shall provide the option for said child to continue
43 coverage for the longer of the following periods: (i) At the end of the
44 month following the month in which the child marries, ceases to be
45 dependent on the employee or attains the age of nineteen, whichever
46 occurs first, except that if the child is a full-time student at an
47 accredited institution, the coverage may be continued while the child

48 remains unmarried and a full-time student, but not beyond the month
49 following the month in which the child attains the age of twenty-three.
50 If on the date specified for termination of coverage on a dependent
51 child, the child is unmarried and incapable of self-sustaining
52 employment by reason of mental or physical handicap and chiefly
53 dependent upon the employee for support and maintenance, the
54 coverage on such child shall continue while the plan remains in force
55 and the child remains in such condition, provided proof of such
56 handicap is received by the carrier within thirty-one days of the date
57 on which the child's coverage would have terminated in the absence of
58 such incapacity. The carrier may require subsequent proof of the
59 child's continued incapacity and dependency but not more often than
60 once a year thereafter, or (ii) for the periods set forth for such child
61 under federal extension requirements established by the Consolidated
62 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
63 from time to time, (COBRA); (B) as to the employee's spouse, at the
64 end of the month following the month in which a divorce, court-
65 ordered annulment or legal separation is obtained, whichever is
66 earlier, except that the plan shall provide the option for said spouse to
67 continue coverage for the periods set forth for such events under
68 federal extension requirements established by the Consolidated
69 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
70 from time to time, (COBRA); and (C) as to the employee or dependent
71 who is sixty-five years of age or older, as of midnight of the day
72 preceding such person's eligibility for benefits under Title XVIII of the
73 federal Social Security Act; (6) as to any other event listed as a
74 "qualifying event" in 29 USC 1163, as amended from time to time,
75 continuation of coverage for such periods set forth for such event in 29
76 USC 1162, as amended from time to time, provided such plan may
77 require the individual whose coverage is to be continued to pay up to
78 the percentage of the applicable premium as specified for such event in
79 29 USC 1162, as amended from time to time. [; (7) any] Any
80 continuation of coverage required by this section except subdivision
81 (4) or (6) of this subsection may be subject to the requirement, on the
82 part of the individual whose coverage is to be continued, that such

83 individual contribute that portion of the premium [he] the individual
 84 would have been required to contribute had the employee remained
 85 an active covered employee, except that the individual may be
 86 required to pay up to one hundred two per cent of the entire premium
 87 at the group rate if coverage is continued in accordance with
 88 subdivision (1), (2) or (5) of this subsection. [, provided the] The
 89 employer shall not be legally obligated by sections 38a-505, 38a-546
 90 and 38a-551 to 38a-559, inclusive, as amended, to pay such premium if
 91 not paid timely by the employee.

92 (c) The commissioner shall [promulgate] adopt regulations, in
 93 accordance with chapter 54, concerning coordination of benefits
 94 between the plan and other health insurance plans.

95 (d) The plan shall make available to Connecticut residents, in
 96 addition to any other conversion privilege available, a conversion
 97 privilege under which coverage shall be available immediately upon
 98 termination of coverage under the group plan. The terms and benefits
 99 offered under the conversion benefits shall be at least equal to the
 100 terms and benefits of an individual comprehensive health care plan.

This act shall take effect as follows:	
Section 1	October 1, 2002

INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill amends CGS 38a -554 that deals with benefits under COBRA and has no fiscal impact to the state health plan or the Department of Insurance.

OLR Bill Analysis

SB 253

AN ACT CONCERNING EXTENSION OF HEALTH BENEFITS UNDER GROUP INSURANCE PLANS**SUMMARY:**

This bill requires health insurers that provide comprehensive health coverage to offer policyholders and their dependents the option to continue group coverage during illness, injury, and certain disabilities, regardless of eligibility for other group coverage.

The option must be available to (1) employees and their dependents during the employee's absence from work due to illness or injury or (2) employees, their spouse, and dependents who are totally disabled on the date the group policy terminates.

Coverage due to illness or injury must continue through the period of the illness or injury or for up to 12 months beginning on the first day the employee is absent from work. Coverage for the totally disabled must continue for 12 months following the calendar month the policy is terminated, if a claim for coverage is made within one year of the termination.

EFFECTIVE DATE: October 1, 2002

BACKGROUND***Comprehensive Health Care Policy***

As a condition of conducting business in Connecticut insurers must offer individual and group comprehensive health care policies to state residents who are under age 65 and not eligible for Medicare. The policies must provide minimum levels of medical, surgical and hospital benefits to people unable to obtain coverage on the voluntary market.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Report
Yea 17 Nay 0