



Senate

General Assembly

January Session, 2003

File No. 214

Senate Bill No. 4

Senate, April 8, 2003

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE EXTENSION OF GROUP HEALTH INSURANCE BENEFITS FOR INDIVIDUALS AGE SIXTY-TWO AND OVER.

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 Section 38a-554 of the general statutes is repealed and the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, 2003*):

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 provision of this section,
16 upon layoff, reduction of hours, leave of absence, or termination of
17 employment, other than as a result of death of the employee or as a
18 result of such employee's "gross misconduct" as that term is used in 29
19 USC 1163(2), continuation of coverage for such employee and such
20 employee's covered dependents for the periods set forth for such event
21 under federal extension requirements established by the federal
22 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
23 as amended from time to time, (COBRA), except that if such reduction
24 of hours, leave of absence or termination of employment results from
25 an employee's eligibility to receive Social Security income,
26 continuation of coverage for such employee and such employee's
27 covered dependents until midnight of the day preceding such person's
28 eligibility for benefits under Title XVIII of the Social Security Act; (2)
29 upon the death of the employee, continuation of coverage for the
30 covered dependents of such employee for the periods set forth for such
31 event under federal extension requirements established by the
32 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
33 as amended from time to time, (COBRA); (3) regardless of the
34 employee's or dependent's eligibility for other group insurance, during
35 an employee's absence due to illness or injury, continuation of
36 coverage for such employee and such employee's covered dependents
37 during continuance of such illness or injury or for up to twelve months
38 from the beginning of such absence; (4) regardless of an individual's
39 eligibility for other group insurance, upon termination of the group
40 plan, coverage for covered individuals who were totally disabled on
41 the date of termination shall be continued without premium payment
42 during the continuance of such disability for a period of twelve
43 calendar months following the calendar month in which the plan was
44 terminated, provided claim is submitted for coverage within one year
45 of the termination of the plan; (5) the coverage of any covered
46 individual shall terminate: (A) As to a child, the plan shall provide the

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

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:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Insurance Dept.; Comptroller Misc. Accounts (Fringe Benefits)	Various - None	None	None

Municipal Impact: None**Explanation**

The bill would not result in a fiscal impact on the state or municipalities since the cost of the continued health insurance coverage under the bill is borne by the individual that is insured.

OLR Bill Analysis

SB 4

AN ACT CONCERNING THE EXTENSION OF GROUP HEALTH INSURANCE BENEFITS FOR INDIVIDUALS AGE SIXTY-TWO AND OVER**SUMMARY:**

This bill requires group comprehensive health insurance plans to give people who terminate their employment, take a leave of absence, or reduce their hours because they become eligible to receive social security benefits an option to continue their coverage under the group plan. It requires this coverage to continue for the employee and his dependents until midnight of the day preceding his eligibility for Medicare. Under federal law, people can retire with a reduced social security benefit at age 62, but are not eligible for Medicare until age 65, unless they are disabled.

EFFECTIVE DATE: October 1, 2003

BACKGROUND***Federal Social Security and Medicare Law***

Traditionally, people could receive full social security benefits and Medicare at age 65 or alternatively receive reduced benefits (but not Medicare) at age 62. Federal legislation in 1983 pushed the age for receiving full benefits beyond 65 in a series of steps for people born after 1937 up to age 67 for those born in 1960 or later. But it left the reduced benefits at age 62 and the Medicare eligibility age of 65 intact (P.L. 98-21, 42 U.S.C. sec. 416).

COMMITTEE ACTION

Select Committee on Aging

Joint Favorable Change of Reference
Yea 11 Nay 0

Insurance and Real Estate Committee

Joint Favorable Report
Yea 11 Nay 6