



General Assembly

February Session, 2004

Raised Bill No. 5202

LCO No. 1142

01142_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING THE EXTENSION OF GROUP HEALTH INSURANCE BENEFITS.

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

1 Section 1. Section 38a-546 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) In order to assure reasonable continuation of coverage and
4 extension of benefits to the citizens of this state, each group health
5 insurance policy, regardless of the number of insureds, providing
6 coverage of the type specified in subdivisions (1), (2), (3), (4), (11) and
7 (12) of section 38a-469, delivered, issued for delivery, renewed or
8 continued in this state on or after October 1, 1997, shall, subject to the
9 provisions of subsection (d), contain [those provisions described in
10 subsections (b) and (d) of section 38a-554] the provisions set forth in
11 this subsection. The plan shall provide the option to continue coverage
12 under each of the following circumstances until the individual is
13 eligible for other group insurance, except as provided in subdivisions
14 (3) and (4) of this subsection: (1) Upon layoff, reduction of hours, leave
15 of absence or termination of employment, other than as a result of
16 death of the employee or as a result of such employee's "gross

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

51 occurs first, except that if the child is a full-time student at an
52 accredited institution, the coverage may be continued while the child
53 remains unmarried and a full-time student, but not beyond the month
54 following the month in which the child attains the age of twenty-three.
55 If on the date specified for termination of coverage on a dependent
56 child, the child is unmarried and incapable of self-sustaining
57 employment by reason of mental or physical handicap and chiefly
58 dependent upon the employee for support and maintenance, the
59 coverage on such child shall continue while the plan remains in force
60 and the child remains in such condition, provided proof of such
61 handicap is received by the carrier within thirty-one days of the date
62 on which the child's coverage would have terminated in the absence of
63 such incapacity. The carrier may require subsequent proof of the
64 child's continued incapacity and dependency but not more often than
65 once a year thereafter, or (ii) for the periods set forth for such child
66 under federal extension requirements established by the Consolidated
67 Omnibus Budget Reconciliation Act of 1985 (P. L. 99-272), as amended
68 from time to time, (COBRA); (B) as to the employee's spouse, at the
69 end of the month following the month in which a divorce, court-
70 ordered annulment or legal separation is obtained, whichever is
71 earlier, except that the plan shall provide the option for said spouse to
72 continue coverage for the periods set forth for such events under
73 federal extension requirements established by the Consolidated
74 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
75 from time to time, (COBRA); and (C) as to the employee or dependent
76 who is sixty-five years of age or older, as of midnight of the day
77 preceding such person's eligibility for benefits under Title XVIII of the
78 federal Social Security Act; (6) as to any other event listed as a
79 "qualifying event" in 29 USC 1163, as amended from time to time,
80 continuation of coverage for such periods set forth for such event in 29
81 USC 1162, as amended from time to time, provided such plan may
82 require the individual whose coverage is to be continued to pay up to
83 the percentage of the applicable premium as specified for such event in
84 29 USC 1162, as amended from time to time. Any continuation of

85 coverage required by this section except subdivision (4) or (6) of this
86 subsection may be subject to the requirement, on the part of the
87 individual whose coverage is to be continued, that such individual
88 contribute that portion of the premium the individual would have
89 been required to contribute had the employee remained an active
90 covered employee, except that the individual may be required to pay
91 up to one hundred two per cent of the entire premium at the group
92 rate if coverage is continued in accordance with subdivision (1), (2) or
93 (5) of this subsection. The employer shall not be legally obligated by
94 this section to pay such premium if not paid timely by the employee.
95 The plan shall make available to Connecticut residents, in addition to
96 any other conversion privilege available, a conversion privilege under
97 which coverage shall be available immediately upon termination of
98 coverage under the group plan. The benefits offered under the
99 conversion benefits shall be at least equal to the benefits of the
100 comprehensive health care plan set forth in subsection (h) of section
101 38a-553.

102 (b) In any case of the discontinuance of a group health insurance
103 policy and the subsequent replacement of such coverage with another
104 such policy, the succeeding carrier, in applying any deductible,
105 coinsurance or waiting period provisions in its plan, shall give credit
106 for the satisfaction or partial satisfaction of the same or similar
107 provisions under a prior plan providing similar benefits. In the case of
108 deductible or coinsurance provisions, the credit shall apply for the
109 same or overlapping benefit periods and shall be given for expenses
110 actually incurred and applied against the deductible or coinsurance
111 provisions of the prior carrier's plan during the ninety days preceding
112 the effective date of the succeeding carrier's plan but only to the extent
113 these expenses are recognized under the terms of the succeeding
114 carrier's plan and are subject to a similar deductible or coinsurance
115 provision.

116 (c) The commissioner shall adopt regulations, in accordance with
117 [the provisions of] chapter 54, [covering] concerning group coverage

118 discontinuance and replacement.

119 (d) Nothing in this section shall alter or impair existing group
120 policies which have been established pursuant to an agreement which
121 resulted from collective bargaining, and the provisions required by
122 this section shall become effective upon the next regular renewal and
123 completion of such collective bargaining agreement.

This act shall take effect as follows:	
Section 1	July 1, 2004

Statement of Purpose:

To amend continuation of benefits provisions applicable to health insurance policies issued in this state to clarify that persons eligible to receive Social Security income shall first exhaust their federal and state extension benefits before continuing coverage that expires when eligible for Medicare.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]