



General Assembly

**Amendment**

February Session, 2004

LCO No. 2760

\*HB0520202760HDO\*

Offered by:

REP. OREFICE, 37<sup>th</sup> Dist.

SEN. CRISCO, 17<sup>th</sup> Dist.

SEN. PRAGUE, 19<sup>th</sup> Dist.

To: Subst. House Bill No. 5202

File No. 46

Cal. No. 82

**"AN ACT CONCERNING THE EXTENSION OF GROUP HEALTH INSURANCE BENEFITS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 38a-554 of the general statutes, as amended by  
4 section 1 of public act 03-77, is repealed and the following is  
5 substituted in lieu thereof (*Effective from passage*):

6 A group comprehensive health care plan shall contain the minimum  
7 standard benefits prescribed in section 38a-553, as amended, and shall  
8 also conform in substance to the requirements of this section.

9 (a) The plan shall be one under which the individuals eligible to be  
10 covered include: (1) Each eligible employee; (2) the spouse of each  
11 eligible employee, who shall be considered a dependent for the  
12 purposes of this section; and (3) dependent unmarried children, who

13 are under the age of nineteen or are full-time students under the age of  
14 twenty-three at an accredited institution of higher learning.

15 (b) The plan shall provide the option to continue coverage under  
16 each of the following circumstances until the individual is eligible for  
17 other group insurance, except as provided in subdivisions (3) and (4)  
18 of this subsection: (1) Notwithstanding any provision of this section,  
19 upon layoff, reduction of hours, leave of absence [.] or termination of  
20 employment, other than as a result of death of the employee or as a  
21 result of [such] the employee's "gross misconduct" as that term is used  
22 in 29 USC 1163(2), continuation of coverage for [such] the employee  
23 and [such] the employee's covered dependents for the periods set forth  
24 for such event under federal extension requirements established by the  
25 federal Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L.  
26 99-272), as amended from time to time, (COBRA), except that [if such  
27 reduction of hours, leave of absence or termination of employment  
28 results from an employee's eligibility to receive Social Security income,  
29 continuation of] the plan shall provide the option for the employee to  
30 continue coverage for [such] the employee and [such] the employee's  
31 covered dependents until midnight of the day preceding [such  
32 person's eligibility] the date the employee enrolls for benefits under  
33 Title XVIII of the federal Social Security Act, or until the employee is  
34 eligible for other group insurance, whichever occurs first, if such  
35 layoff, reduction of hours, leave of absence or termination of  
36 employment occurs (A) between October 1, 2003, and the effective date  
37 of this section and results from the employee's eligibility to receive  
38 Social Security income, or (B) when the employee is sixty-two years of  
39 age or older; (2) upon the death of the employee, continuation of  
40 coverage for the covered dependents of [such] the employee for the  
41 periods set forth for such event under federal extension requirements  
42 established by the Consolidated Omnibus Budget Reconciliation Act of  
43 1985 (P.L. 99-272), as amended from time to time, (COBRA); (3)  
44 regardless of the employee's or dependent's eligibility for other group  
45 insurance, during an employee's absence due to illness or injury,  
46 continuation of coverage for [such] the employee and [such] the

47 employee's covered dependents during continuance of such illness or  
48 injury or for up to twelve months from the beginning of such absence;  
49 (4) regardless of an individual's eligibility for other group insurance,  
50 upon termination of the group plan, coverage for covered individuals  
51 who were totally disabled on the date of termination shall be  
52 continued without premium payment during the continuance of such  
53 disability for a period of twelve calendar months following the  
54 calendar month in which the plan was terminated, provided claim is  
55 submitted for coverage within one year of the termination of the plan;  
56 (5) the coverage of any covered individual shall terminate: (A) As to a  
57 child, the plan shall provide the option for said child to continue  
58 coverage for the longer of the following periods: (i) At the end of the  
59 month following the month in which the child marries, ceases to be  
60 dependent on the employee or attains the age of nineteen, whichever  
61 occurs first, except that if the child is a full-time student at an  
62 accredited institution, the coverage may be continued while the child  
63 remains unmarried and a full-time student, but not beyond the month  
64 following the month in which the child attains the age of twenty-three.  
65 If on the date specified for termination of coverage on a dependent  
66 child, the child is unmarried and incapable of self-sustaining  
67 employment by reason of mental or physical handicap and chiefly  
68 dependent upon the employee for support and maintenance, the  
69 coverage on such child shall continue while the plan remains in force  
70 and the child remains in such condition, provided proof of such  
71 handicap is received by the carrier within thirty-one days of the date  
72 on which the child's coverage would have terminated in the absence of  
73 such incapacity. The carrier may require subsequent proof of the  
74 child's continued incapacity and dependency but not more often than  
75 once a year thereafter, or (ii) for the periods set forth for such child  
76 under federal extension requirements established by the Consolidated  
77 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
78 from time to time, (COBRA); (B) as to the employee's spouse, at the  
79 end of the month following the month in which a divorce, court-  
80 ordered annulment or legal separation is obtained, whichever is  
81 earlier, except that the plan shall provide the option for said spouse to

82 continue coverage for the periods set forth for such events under  
83 federal extension requirements established by the Consolidated  
84 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
85 from time to time, (COBRA); and (C) as to the employee or dependent  
86 who is sixty-five years of age or older, as of midnight of the day  
87 preceding such person's eligibility for benefits under Title XVIII of the  
88 federal Social Security Act; (6) as to any other event listed as a  
89 "qualifying event" in 29 USC 1163, as amended from time to time,  
90 continuation of coverage for [such] the periods set forth for such event  
91 in 29 USC 1162, as amended from time to time, provided such plan  
92 may require the individual whose coverage is to be continued to pay  
93 up to the percentage of the applicable premium as specified for such  
94 event in 29 USC 1162, as amended from time to time. Any continuation  
95 of coverage required by this section except subdivision (4) or (6) of this  
96 subsection may be subject to the requirement, on the part of the  
97 individual whose coverage is to be continued, that such individual  
98 contribute that portion of the premium the individual would have  
99 been required to contribute had the employee remained an active  
100 covered employee, except that the individual may be required to pay  
101 up to one hundred two per cent of the entire premium at the group  
102 rate if coverage is continued in accordance with subdivision (1), (2) or  
103 (5) of this subsection. The employer shall not be legally obligated by  
104 sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive, as  
105 amended, to pay such premium if not paid timely by the employee.

106 (c) The commissioner shall adopt regulations, in accordance with  
107 chapter 54, concerning coordination of benefits between the plan and  
108 other health insurance plans.

109 (d) The plan shall make available to Connecticut residents, in  
110 addition to any other conversion privilege available, a conversion  
111 privilege under which coverage shall be available immediately upon  
112 termination of coverage under the group plan. The terms and benefits  
113 offered under the conversion benefits shall be at least equal to the  
114 terms and benefits of an individual comprehensive health care plan.

115 Sec. 2. Section 38a-546 of the general statutes is repealed and the  
116 following is substituted in lieu thereof (*Effective from passage*):

117 (a) In order to assure reasonable continuation of coverage and  
118 extension of benefits to the citizens of this state, each group health  
119 insurance policy, regardless of the number of insureds, providing  
120 coverage of the type specified in subdivisions (1), (2), (3), (4), (11) and  
121 (12) of section 38a-469, delivered, issued for delivery, renewed or  
122 continued in this state on or after October 1, 1997, shall, subject to the  
123 provisions of subsection (d), contain [those provisions described in  
124 subsections (b) and (d) of section 38a-554] the provisions set forth in  
125 this subsection. The plan shall provide the option to continue coverage  
126 under each of the following circumstances until the individual is  
127 eligible for other group insurance, except as provided in subdivisions  
128 (3) and (4) of this subsection: (1) Notwithstanding any provision of this  
129 section, upon layoff, reduction of hours, leave of absence or  
130 termination of employment, other than as a result of death of the  
131 employee or as a result of the employee's "gross misconduct" as that  
132 term is used in 29 USC 1163(2), continuation of coverage for the  
133 employee and the employee's covered dependents for the periods set  
134 forth for such event under federal extension requirements established  
135 by the federal Consolidated Omnibus Budget Reconciliation Act of  
136 1985 (P.L. 99-272), as amended from time to time, (COBRA), except  
137 that the plan shall provide the option for the employee to continue  
138 coverage for the employee and the employee's covered dependents  
139 until midnight of the day preceding the date the employee enrolls for  
140 benefits under Title XVIII of the federal Social Security Act, or until the  
141 employee is eligible for other group insurance, whichever occurs first,  
142 if such layoff, reduction of hours, leave of absence or termination of  
143 employment occurs (A) between October 1, 2003, and the effective date  
144 of this section and results from the employee's eligibility to receive  
145 Social Security income, or (B) when the employee is sixty-two years of  
146 age or older; (2) upon the death of the employee, continuation of  
147 coverage for the covered dependents of the employee for the periods  
148 set forth for such event under federal extension requirements

149 established by the Consolidated Omnibus Budget Reconciliation Act of  
150 1985 (P.L. 99-272), as amended from time to time, (COBRA); (3)  
151 regardless of the employee's or dependent's eligibility for other group  
152 insurance, during an employee's absence due to illness or injury,  
153 continuation of coverage for the employee and the employee's covered  
154 dependents during continuance of such illness or injury or for up to  
155 twelve months from the beginning of such absence; (4) regardless of an  
156 individual's eligibility for other group insurance, upon termination of  
157 the group plan, coverage for covered individuals who were totally  
158 disabled on the date of termination shall be continued without  
159 premium payment during the continuance of such disability for a  
160 period of twelve calendar months following the calendar month in  
161 which the plan was terminated, provided claim is submitted for  
162 coverage within one year of the termination of the plan; (5) the  
163 coverage of any covered individual shall terminate: (A) As to a child,  
164 the plan shall provide the option for said child to continue coverage for  
165 the longer of the following periods: (i) At the end of the month  
166 following the month in which the child marries, ceases to be  
167 dependent on the employee or attains the age of nineteen, whichever  
168 occurs first, except that if the child is a full-time student at an  
169 accredited institution, the coverage may be continued while the child  
170 remains unmarried and a full-time student, but not beyond the month  
171 following the month in which the child attains the age of twenty-three.  
172 If on the date specified for termination of coverage on a dependent  
173 child, the child is unmarried and incapable of self-sustaining  
174 employment by reason of mental or physical handicap and chiefly  
175 dependent upon the employee for support and maintenance, the  
176 coverage on such child shall continue while the plan remains in force  
177 and the child remains in such condition, provided proof of such  
178 handicap is received by the carrier within thirty-one days of the date  
179 on which the child's coverage would have terminated in the absence of  
180 such incapacity. The carrier may require subsequent proof of the  
181 child's continued incapacity and dependency but not more often than  
182 once a year thereafter, or (ii) for the periods set forth for such child  
183 under federal extension requirements established by the Consolidated

184 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
185 from time to time, (COBRA); (B) as to the employee's spouse, at the  
186 end of the month following the month in which a divorce, court-  
187 ordered annulment or legal separation is obtained, whichever is  
188 earlier, except that the plan shall provide the option for said spouse to  
189 continue coverage for the periods set forth for such events under  
190 federal extension requirements established by the Consolidated  
191 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
192 from time to time, (COBRA); and (C) as to the employee or dependent  
193 who is sixty-five years of age or older, as of midnight of the day  
194 preceding such person's eligibility for benefits under Title XVIII of the  
195 federal Social Security Act; (6) as to any other event listed as a  
196 "qualifying event" in 29 USC 1163, as amended from time to time,  
197 continuation of coverage for the periods set forth for such event in 29  
198 USC 1162, as amended from time to time, provided such plan may  
199 require the individual whose coverage is to be continued to pay up to  
200 the percentage of the applicable premium as specified for such event in  
201 29 USC 1162, as amended from time to time. Any continuation of  
202 coverage required by this section except subdivision (4) or (6) of this  
203 subsection may be subject to the requirement, on the part of the  
204 individual whose coverage is to be continued, that such individual  
205 contribute that portion of the premium the individual would have  
206 been required to contribute had the employee remained an active  
207 covered employee, except that the individual may be required to pay  
208 up to one hundred two per cent of the entire premium at the group  
209 rate if coverage is continued in accordance with subdivision (1), (2) or  
210 (5) of this subsection. The employer shall not be legally obligated by  
211 this section to pay such premium if not paid timely by the employee.  
212 The plan shall make available to Connecticut residents, in addition to  
213 any other conversion privilege available, a conversion privilege under  
214 which coverage shall be available immediately upon termination of  
215 coverage under the group plan. The benefits offered under the  
216 conversion benefits shall be at least equal to the benefits of the  
217 comprehensive health care plan set forth in subsection (h) of section  
218 38a-553.

219 (b) In any case of the discontinuance of a group health insurance  
 220 policy and the subsequent replacement of such coverage with another  
 221 such policy, the succeeding carrier, in applying any deductible,  
 222 coinsurance or waiting period provisions in its plan, shall give credit  
 223 for the satisfaction or partial satisfaction of the same or similar  
 224 provisions under a prior plan providing similar benefits. In the case of  
 225 deductible or coinsurance provisions, the credit shall apply for the  
 226 same or overlapping benefit periods and shall be given for expenses  
 227 actually incurred and applied against the deductible or coinsurance  
 228 provisions of the prior carrier's plan during the ninety days preceding  
 229 the effective date of the succeeding carrier's plan but only to the extent  
 230 these expenses are recognized under the terms of the succeeding  
 231 carrier's plan and are subject to a similar deductible or coinsurance  
 232 provision.

233 (c) The commissioner shall adopt regulations, in accordance with  
 234 [the provisions of] chapter 54, [covering] concerning group coverage  
 235 discontinuance and replacement.

236 (d) Nothing in this section shall alter or impair existing group  
 237 policies which have been established pursuant to an agreement which  
 238 resulted from collective bargaining, and the provisions required by  
 239 this section shall become effective upon the next regular renewal and  
 240 completion of such collective bargaining agreement."

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>