



General Assembly

February Session, 2004

**Amendment**

LCO No. 5193

\*HB0520205193SD0\*

Offered by:  
SEN. CRISCO, 17<sup>th</sup> Dist.

To: Subst. House Bill No. 5202      File No. 275      Cal. No. 223

**"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4      section 1 of public act 03-77, is repealed and the following is  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:

19 (1) Notwithstanding any provision of this section, upon layoff,  
20 reduction of hours, leave of absence [,] or termination of employment,  
21 other than as a result of death of the employee or as a result of [such]  
22 the employee's "gross misconduct" as that term is used in 29 USC  
23 1163(2), continuation of coverage for [such] the employee and [such]  
24 the employee's covered dependents for the periods set forth for such  
25 event under federal extension requirements established by the federal  
26 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),  
27 as amended from time to time, (COBRA), except that [if such reduction  
28 of hours, leave of absence or termination of employment results from  
29 an employee's eligibility to receive Social Security income,  
30 continuation of coverage for such employee and such employee's  
31 covered dependents until midnight of the day preceding such person's  
32 eligibility for benefits under Title XVIII of the Social Security Act] if  
33 such layoff, reduction of hours, leave of absence or termination of  
34 employment occurs (A) between October 1, 2003, and the effective date  
35 of this section and results solely from the employee's eligibility to  
36 receive Social Security income, continuation of coverage for the  
37 employee and the employee's covered dependents until midnight of  
38 the day preceding such person's eligibility for benefits under Title  
39 XVIII of the federal Social Security Act, or (B) when the employee is  
40 sixty-two years of age or older, continuation of coverage for the  
41 employee and the employee's covered dependents for a period that  
42 shall terminate as provided in subparagraph (C) of subdivision (5) of  
43 this subsection;

44 (2) [upon] Upon the death of the employee, continuation of  
45 coverage for the covered dependents of [such] the employee for the  
46 periods set forth for such event under federal extension requirements  
47 established by the Consolidated Omnibus Budget Reconciliation Act of

48 1985 (P.L. 99-272), as amended from time to time, (COBRA);

49 (3) [~~regardless~~] Regardless of the employee's or dependent's  
50 eligibility for other group insurance, during an employee's absence  
51 due to illness or injury, continuation of coverage for [~~such~~] the  
52 employee and [~~such~~] the employee's covered dependents during  
53 continuance of such illness or injury or for up to twelve months from  
54 the beginning of such absence;

55 (4) [~~regardless~~] Regardless of an individual's eligibility for other  
56 group insurance, upon termination of the group plan, coverage for  
57 covered individuals who were totally disabled on the date of  
58 termination shall be continued without premium payment during the  
59 continuance of such disability for a period of twelve calendar months  
60 following the calendar month in which the plan was terminated,  
61 provided claim is submitted for coverage within one year of the  
62 termination of the plan;

63 (5) [~~the~~] The coverage of any covered individual shall terminate: (A)  
64 As to a child, the plan shall provide the option for said child to  
65 continue coverage for the longer of the following periods: (i) At the  
66 end of the month following the month in which the child marries,  
67 ceases to be dependent on the employee or attains the age of nineteen,  
68 whichever occurs first, except that if the child is a full-time student at  
69 an accredited institution, the coverage may be continued while the  
70 child remains unmarried and a full-time student, but not beyond the  
71 month following the month in which the child attains the age of  
72 twenty-three. If on the date specified for termination of coverage on a  
73 dependent child, the child is unmarried and incapable of self-  
74 sustaining employment by reason of mental or physical handicap and  
75 chiefly dependent upon the employee for support and maintenance,  
76 the coverage on such child shall continue while the plan remains in  
77 force and the child remains in such condition, provided proof of such  
78 handicap is received by the carrier within thirty-one days of the date  
79 on which the child's coverage would have terminated in the absence of  
80 such incapacity. The carrier may require subsequent proof of the

81 child's continued incapacity and dependency but not more often than  
82 once a year thereafter, or (ii) for the periods set forth for such child  
83 under 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); (B) as to the employee's spouse, at the  
86 end of the month following the month in which a divorce, court-  
87 ordered annulment or legal separation is obtained, whichever is  
88 earlier, except that the plan shall provide the option for said spouse to  
89 continue coverage for the periods set forth for such events under  
90 federal extension requirements established by the Consolidated  
91 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
92 from time to time, (COBRA); and (C) as to the employee or dependent  
93 who is sixty-five years of age or older, as of midnight of the day  
94 preceding such person's eligibility for benefits under Title XVIII of the  
95 federal Social Security Act;

96 (6) [as] As to any other event listed as a "qualifying event" in 29 USC  
97 1163, as amended from time to time, continuation of coverage for  
98 [such] the periods set forth for such event in 29 USC 1162, as amended  
99 from time to time, provided such plan may require the individual  
100 whose coverage is to be continued to pay up to the percentage of the  
101 applicable premium as specified for such event in 29 USC 1162, as  
102 amended from time to time; [.]

103 (7) Any continuation of coverage required by this section except  
104 subdivision (4) or (6) of this subsection may be subject to the  
105 requirement, on the part of the individual whose coverage is to be  
106 continued, that such individual contribute that portion of the premium  
107 the individual would have been required to contribute had the  
108 employee remained an active covered employee, except that the  
109 individual may be required to pay up to one hundred two per cent of  
110 the entire premium at the group rate if coverage is continued in  
111 accordance with subdivision (1), (2) or (5) of this subsection. The  
112 employer shall not be legally obligated by sections 38a-505, 38a-546  
113 and 38a-551 to 38a-559, inclusive, as amended, to pay such premium if

114 not paid timely by the employee.

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

118 (d) The plan shall make available to Connecticut residents, in  
119 addition to any other conversion privilege available, a conversion  
120 privilege under which coverage shall be available immediately upon  
121 termination of coverage under the group plan. The terms and benefits  
122 offered under the conversion benefits shall be at least equal to the  
123 terms and benefits of an individual comprehensive health care plan.

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

126 (a) In order to assure reasonable continuation of coverage and  
127 extension of benefits to the citizens of this state, each group health  
128 insurance policy, regardless of the number of insureds, providing  
129 coverage of the type specified in subdivisions (1), (2), (3), (4), (11) and  
130 (12) of section 38a-469, delivered, issued for delivery, renewed or  
131 continued in this state on or after October 1, 1997, shall, subject to the  
132 provisions of subsection (d), contain [those provisions described in  
133 subsections (b) and (d) of section 38a-554] the provisions set forth in  
134 this subsection. The plan shall provide the option to continue coverage  
135 under each of the following circumstances until the individual is  
136 eligible for other group insurance, except as provided in subdivisions  
137 (3) and (4) of this subsection:

138 (1) Notwithstanding any provision of this section, upon layoff,  
139 reduction of hours, leave of absence or termination of employment,  
140 other than as a result of death of the employee or as a result of the  
141 employee's "gross misconduct" as that term is used in 29 USC 1163(2),  
142 continuation of coverage for the employee and the employee's covered  
143 dependents for the periods set forth for such event under federal  
144 extension requirements established by the federal Consolidated  
145 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended

146 from time to time, (COBRA), except that if such layoff, reduction of  
147 hours, leave of absence or termination of employment occurs (A)  
148 between October 1, 2003, and the effective date of this section and  
149 results solely from the employee's eligibility to receive Social Security  
150 income, continuation of coverage for the employee and the employee's  
151 covered dependents until midnight of the day preceding such person's  
152 eligibility for benefits under Title XVIII of the federal Social Security  
153 Act, or (B) when the employee is sixty-two years of age or older,  
154 continuation of coverage for the employee and the employee's covered  
155 dependents for a period that shall terminate as provided in  
156 subparagraph (C) of subdivision (5) of this subsection;

157 (2) Upon the death of the employee, continuation of coverage for the  
158 covered dependents of the employee for the periods set forth for such  
159 event under federal extension requirements established by the  
160 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),  
161 as amended from time to time, (COBRA);

162 (3) Regardless of the employee's or dependent's eligibility for other  
163 group insurance, during an employee's absence due to illness or injury,  
164 continuation of coverage for the employee and the employee's covered  
165 dependents during continuance of such illness or injury or for up to  
166 twelve months from the beginning of such absence;

167 (4) Regardless of an individual's eligibility for other group  
168 insurance, upon termination of the group plan, coverage for covered  
169 individuals who were totally disabled on the date of termination shall  
170 be continued without premium payment during the continuance of  
171 such disability for a period of twelve calendar months following the  
172 calendar month in which the plan was terminated, provided claim is  
173 submitted for coverage within one year of the termination of the plan;

174 (5) The coverage of any covered individual shall terminate: (A) As  
175 to a child, the plan shall provide the option for said child to continue  
176 coverage for the longer of the following periods: (i) At the end of the  
177 month following the month in which the child marries, ceases to be

178 dependent on the employee or attains the age of nineteen, whichever  
179 occurs first, except that if the child is a full-time student at an  
180 accredited institution, the coverage may be continued while the child  
181 remains unmarried and a full-time student, but not beyond the month  
182 following the month in which the child attains the age of twenty-three.  
183 If on the date specified for termination of coverage on a dependent  
184 child, the child is unmarried and incapable of self-sustaining  
185 employment by reason of mental or physical handicap and chiefly  
186 dependent upon the employee for support and maintenance, the  
187 coverage on such child shall continue while the plan remains in force  
188 and the child remains in such condition, provided proof of such  
189 handicap is received by the carrier within thirty-one days of the date  
190 on which the child's coverage would have terminated in the absence of  
191 such incapacity. The carrier may require subsequent proof of the  
192 child's continued incapacity and dependency but not more often than  
193 once a year thereafter, or (ii) for the periods set forth for such child  
194 under federal extension requirements established by the Consolidated  
195 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
196 from time to time, (COBRA); (B) as to the employee's spouse, at the  
197 end of the month following the month in which a divorce, court-  
198 ordered annulment or legal separation is obtained, whichever is  
199 earlier, except that the plan shall provide the option for said spouse to  
200 continue coverage for the periods set forth for such events under  
201 federal extension requirements established by the Consolidated  
202 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
203 from time to time, (COBRA); and (C) as to the employee or dependent  
204 who is sixty-five years of age or older, as of midnight of the day  
205 preceding such person's eligibility for benefits under Title XVIII of the  
206 federal Social Security Act;

207 (6) As to any other event listed as a "qualifying event" in 29 USC  
208 1163, as amended from time to time, continuation of coverage for the  
209 periods set forth for such event in 29 USC 1162, as amended from time  
210 to time, provided such plan may require the individual whose  
211 coverage is to be continued to pay up to the percentage of the

212 applicable premium as specified for such event in 29 USC 1162, as  
213 amended from time to time;

214 (7) Any continuation of coverage required by this section except  
215 subdivision (4) or (6) of this subsection may be subject to the  
216 requirement, on the part of the individual whose coverage is to be  
217 continued, that such individual contribute that portion of the premium  
218 the individual would have been required to contribute had the  
219 employee remained an active covered employee, except that the  
220 individual may be required to pay up to one hundred two per cent of  
221 the entire premium at the group rate if coverage is continued in  
222 accordance with subdivision (1), (2) or (5) of this subsection. The  
223 employer shall not be legally obligated by this section to pay such  
224 premium if not paid timely by the employee. The plan shall make  
225 available to Connecticut residents, in addition to any other conversion  
226 privilege available, a conversion privilege under which coverage shall  
227 be available immediately upon termination of coverage under the  
228 group plan. The benefits offered under the conversion benefits shall be  
229 at least equal to the benefits of the comprehensive health care plan set  
230 forth in subsection (h) of section 38a-553.

231 (b) In any case of the discontinuance of a group health insurance  
232 policy and the subsequent replacement of such coverage with another  
233 such policy, the succeeding carrier, in applying any deductible,  
234 coinsurance or waiting period provisions in its plan, shall give credit  
235 for the satisfaction or partial satisfaction of the same or similar  
236 provisions under a prior plan providing similar benefits. In the case of  
237 deductible or coinsurance provisions, the credit shall apply for the  
238 same or overlapping benefit periods and shall be given for expenses  
239 actually incurred and applied against the deductible or coinsurance  
240 provisions of the prior carrier's plan during the ninety days preceding  
241 the effective date of the succeeding carrier's plan but only to the extent  
242 these expenses are recognized under the terms of the succeeding  
243 carrier's plan and are subject to a similar deductible or coinsurance  
244 provision.

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

248 (d) Nothing in this section shall alter or impair existing group  
249 policies which have been established pursuant to an agreement which  
250 resulted from collective bargaining, and the provisions required by  
251 this section shall become effective upon the next regular renewal and  
252 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>