



Senate

General Assembly

January Session, 2005

File No. 147

Senate Bill No. 24

Senate, April 5, 2005

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 EXTENDING HEALTH INSURANCE COVERAGE BASED ON MILITARY SERVICE.

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 Section 38a-554 of the general statutes is repealed and the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 from passage*):

3 [A] Each group comprehensive health care plan shall contain the
4 minimum standard benefits prescribed in section 38a-553 and shall
5 also conform 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:

16 (1) Notwithstanding any provision of this section, upon layoff,
17 reduction of hours, leave of absence [] or termination of employment,
18 other than as a result of death of the employee or as a result of [such]
19 the employee's "gross misconduct" as that term is used in 29 USC
20 1163(2), continuation of coverage for [such] the employee and [such]
21 the employee's covered dependents for the periods set forth for such
22 event under federal extension requirements established by the federal
23 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
24 as amended from time to time, (COBRA), except that if such reduction
25 of hours, leave of absence or termination of employment results from
26 an employee's eligibility to receive Social Security income,
27 continuation of coverage for [such] the employee and [such] the
28 employee's covered dependents until midnight of the day preceding
29 such person's eligibility for benefits under Title XVIII of the Social
30 Security Act;

31 (2) [upon] Upon the death of the employee, continuation of
32 coverage for the covered dependents of [such] the employee for the
33 periods set forth for such event under federal extension requirements
34 established by the Consolidated Omnibus Budget Reconciliation Act of
35 1985 (P.L. 99-272), as amended from time to time, (COBRA);

36 (3) [regardless] Regardless of the employee's or dependent's
37 eligibility for other group insurance, during an employee's absence
38 due to illness or injury, continuation of coverage for [such] the
39 employee and [such] the employee's covered dependents during
40 continuance of such illness or injury or for up to twelve months from
41 the beginning of such absence;

42 (4) [regardless] Regardless of an individual's eligibility for other
43 group insurance, upon termination of the group plan, coverage for
44 covered individuals who were totally disabled on the date of

45 termination shall be continued without premium payment during the
46 continuance of such disability for a period of twelve calendar months
47 following the calendar month in which the plan was terminated,
48 provided claim is submitted for coverage within one year of the
49 termination of the plan;

50 (5) [the] The coverage of any covered individual shall terminate: (A)
51 As to a child, the plan shall provide the option for [said] the child to
52 continue coverage for the longer of the following periods: (i) At the
53 end of the month following the month in which the child marries,
54 ceases to be dependent on the employee or attains the age of nineteen,
55 whichever occurs first, except that (I) if the child is a full-time student
56 at an accredited institution, the coverage may be continued while the
57 child remains unmarried and a full-time student, but not beyond the
58 month following the month in which the child attains the age of
59 twenty-three, and (II) coverage for a child who is unmarried and a full-
60 time student may be continued beyond the age of twenty-three for a
61 child who is a member of the armed forces of any state or of any
62 reserve component of the armed forces of the United States and who
63 was called to active service in the armed forces of any state or the
64 United States while continuing such coverage and before the age of
65 twenty-three, provided coverage after age twenty-three may be
66 continued for the number of months equal to the number of months, or
67 portion thereof, of such active service. If on the date specified for
68 termination of coverage on a dependent child, the child is unmarried
69 and incapable of self-sustaining employment by reason of mental or
70 physical handicap and chiefly dependent upon the employee for
71 support and maintenance, the coverage on such child shall continue
72 while the plan remains in force and the child remains in such
73 condition, provided proof of such handicap is received by the carrier
74 within thirty-one days of the date on which the child's coverage would
75 have terminated in the absence of such incapacity. The carrier may
76 require subsequent proof of the child's continued incapacity and
77 dependency but not more often than once a year thereafter, or (ii) for
78 the periods set forth for such child under federal extension

79 requirements established by the Consolidated Omnibus Budget
80 Reconciliation Act of 1985 (P.L. 99-272), as amended from time to time,
81 (COBRA); (B) as to the employee's spouse, at the end of the month
82 following the month in which a divorce, court-ordered annulment or
83 legal separation is obtained, whichever is earlier, except that the plan
84 shall provide the option for said spouse to continue coverage for the
85 periods set forth for such events under federal extension requirements
86 established by the Consolidated Omnibus Budget Reconciliation Act of
87 1985 (P.L. 99-272), as amended from time to time, (COBRA); and (C) as
88 to the employee or dependent who is sixty-five years of age or older,
89 as of midnight of the day preceding such person's eligibility for
90 benefits under Title XVIII of the federal Social Security Act;

91 (6) [as] As to any other event listed as a "qualifying event" in 29 USC
92 1163, as amended from time to time, continuation of coverage for
93 [such] the periods set forth for such event in 29 USC 1162, as amended
94 from time to time, provided such plan may require the individual
95 whose coverage is to be continued to pay up to the percentage of the
96 applicable premium as specified for such event in 29 USC 1162, as
97 amended from time to time; [.] and

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

110 (c) The commissioner shall adopt regulations, in accordance with
111 chapter 54, concerning coordination of benefits between the plan and

112 other health insurance plans.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-554

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:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires health insurance plans to permit a covered unmarried dependent child who is called into active service in the armed forces or reserves continued coverage beyond his 23rd birthday. By extending health insurance coverage for certain qualified overage dependents, the bill may result in additional costs to the state employee health plans that cannot be determined at this time. The Office of the State Comptroller has no data available on the military service status of overage dependents who were formerly eligible for health insurance as a result of their status as full time students.

OLR Bill Analysis

SB 24

AN ACT EXTENDING HEALTH INSURANCE COVERAGE BASED ON MILITARY SERVICE.**SUMMARY:**

This bill requires health insurance plans to permit a covered unmarried dependent child who is a full-time student in an accredited institution and called to active service in the armed forces or reserves before turning 23 to continue coverage beyond his 23rd birthday for a time period equal to his active service. Under current law, his coverage ends on the last day of the month following the month he turns 23.

The bill also makes technical changes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Report

Yea 15 Nay 0