



General Assembly

Substitute Bill No. 409

February Session, 2006

* SB00409INS 030906 *

**AN ACT ESTABLISHING THE NUTMEG HEALTH PARTNERSHIP
INSURANCE PLAN.**

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

1 Section 1. (NEW) (*Effective July 1, 2006*) There is established a
2 Nutmeg Health Partnership Insurance Plan. The plan shall consist of
3 the measures set forth in sections 2 and 3 of this act and sections 38a-
4 497 and 38a-554 of the general statutes, as amended by this act, for the
5 purpose of making health insurance accessible and affordable for
6 residents of this state.

7 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) Notwithstanding the
8 provisions of chapter 700c of the general statutes, the Insurance
9 Commissioner may approve any individual health insurance policy or
10 certificate which contains the minimum coverages or benefits set forth
11 in section 38a-503c and subsection (c) of section 38a-504 of the general
12 statutes in addition to those required under subsection (c) of section
13 38a-505 of the general statutes.

14 (b) Notwithstanding the provisions of chapter 700c of the general
15 statutes, the Insurance Commissioner may approve any individual
16 health insurance policy or certificate which (1) contains the following
17 minimum coverages or benefits set forth in chapter 700c of the general
18 statutes: Subdivision (2) of subsection (b) of section 38a-476, sections
19 38a-476b, 38a-483c, 38a-489, 38a-496, 38a-498a, 38a-502, 38a-503b and

20 38a-503c and subsection (c) of section 38a-504 of the general statutes, in
21 addition to those required under subsection (c) of section 38a-505 of
22 the general statutes, and (2) offers the following minimum coverages
23 or benefits set forth in chapter 700c of the general statutes as options:
24 Sections 38a-488a, 38a-490 to 38a-490c, inclusive, 38a-491a, 38a-492 to
25 38a-493, inclusive, 38a-498, 38a-503, 38a-503d, 38a-503e, subsections (a)
26 and (b) of section 38a-504, 38a-504a to 38a-504g, inclusive, and sections
27 38a-507 to 38a-509, inclusive, of the general statutes, provided the
28 insurer, at the time of initial issuance and upon renewal, shall offer the
29 options specified in subdivision (2) of this subsection and receive the
30 acceptance or declination of the insured, in writing, which offer shall
31 include a description of the coverages or benefits and the cost
32 associated with each such coverage or benefit.

33 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) As used in this section:

34 (1) "Commissioner" means the Insurance Commissioner; and

35 (2) "Ineligible population" means (A) part-time employees, seasonal
36 employees and independent contractors who are not eligible to
37 participate in a group health insurance policy offered by an employer
38 or in any other group health insurance policy, as determined by the
39 commissioner, and (B) retired employees under the age of sixty-five
40 who are not eligible to participate in a group health insurance policy
41 offered by a former employer or in any other group health insurance
42 policy, as determined by the commissioner.

43 (b) Notwithstanding the provisions of chapter 700c of the general
44 statutes, the Insurance Commissioner may approve any group health
45 insurance policy or certificate which does not contain all the minimum
46 coverages or benefits set forth in chapter 700c of the general statutes,
47 provided such policy or certificate is approved only for issue to the
48 ineligible population in this state.

49 Sec. 4. Section 38a-497 of the general statutes is repealed and the
50 following is substituted in lieu thereof (*Effective October 1, 2006*):

51 [Every] Each individual health insurance policy providing coverage
52 of the type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12)
53 of section 38a-469 delivered, issued for delivery, amended or renewed
54 in this state on or after October 1, [1982] 2006, shall provide that
55 coverage of a child shall terminate no earlier than the policy
56 anniversary date on or after whichever of the following occurs first, the
57 date on which the child marries, ceases to be a dependent of the
58 policyholder [,] or attains the age of [nineteen if the child is not a full-
59 time student at an accredited institution, or attains the age of twenty-
60 three if the child is a full-time student at an accredited institution]
61 twenty-six.

62 Sec. 5. Section 38a-554 of the general statutes is repealed and the
63 following is substituted in lieu thereof (*Effective October 1, 2006*):

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

67 (a) The plan shall be one under which the individuals eligible to be
68 covered include: (1) Each eligible employee; (2) the spouse of each
69 eligible employee, who shall be considered a dependent for the
70 purposes of this section; and (3) dependent unmarried children [,] who
71 are under the age of [nineteen or are full-time students under the age
72 of twenty-three at an accredited institution of higher learning] twenty-
73 six.

74 (b) The plan shall provide the option to continue coverage under
75 each of the following circumstances until the individual is eligible for
76 other group insurance, except as provided in subdivisions (3) and (4)
77 of this subsection: (1) Notwithstanding any provision of this section,
78 upon layoff, reduction of hours, leave of absence, or termination of
79 employment, other than as a result of death of the employee or as a
80 result of such employee's "gross misconduct" as that term is used in 29
81 USC 1163(2), continuation of coverage for such employee and such
82 employee's covered dependents for the periods set forth for such event

83 under federal extension requirements established by the federal
84 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
85 as amended from time to time, (COBRA), except that if such reduction
86 of hours, leave of absence or termination of employment results from
87 an employee's eligibility to receive Social Security income,
88 continuation of coverage for such employee and such employee's
89 covered dependents until midnight of the day preceding such person's
90 eligibility for benefits under Title XVIII of the Social Security Act; (2)
91 upon the death of the employee, continuation of coverage for the
92 covered dependents of such employee for the periods set forth for such
93 event under federal extension requirements established by the
94 Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272),
95 as amended from time to time, (COBRA); (3) regardless of the
96 employee's or dependent's eligibility for other group insurance, during
97 an employee's absence due to illness or injury, continuation of
98 coverage for such employee and such employee's covered dependents
99 during continuance of such illness or injury or for up to twelve months
100 from the beginning of such absence; (4) regardless of an individual's
101 eligibility for other group insurance, upon termination of the group
102 plan, coverage for covered individuals who were totally disabled on
103 the date of termination shall be continued without premium payment
104 during the continuance of such disability for a period of twelve
105 calendar months following the calendar month in which the plan was
106 terminated, provided claim is submitted for coverage within one year
107 of the termination of the plan; (5) the coverage of any covered
108 individual shall terminate: (A) As to a child, the plan shall provide the
109 option for said child to continue coverage for the longer of the
110 following periods: (i) At the end of the month following the month in
111 which the child marries, ceases to be dependent on the employee or
112 attains the age of [nineteen] twenty-six, whichever occurs first. [,
113 except that if the child is a full-time student at an accredited
114 institution, the coverage may be continued while the child remains
115 unmarried and a full-time student, but not beyond the month
116 following the month in which the child attains the age of twenty-
117 three.] If on the date specified for termination of coverage on a

118 dependent child, the child is unmarried and incapable of self-
119 sustaining employment by reason of mental or physical handicap and
120 chiefly dependent upon the employee for support and maintenance,
121 the coverage on such child shall continue while the plan remains in
122 force and the child remains in such condition, provided proof of such
123 handicap is received by the carrier within thirty-one days of the date
124 on which the child's coverage would have terminated in the absence of
125 such incapacity. The carrier may require subsequent proof of the
126 child's continued incapacity and dependency but not more often than
127 once a year thereafter, or (ii) for the periods set forth for such child
128 under federal extension requirements established by the Consolidated
129 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
130 from time to time, (COBRA); (B) as to the employee's spouse, at the
131 end of the month following the month in which a divorce, court-
132 ordered annulment or legal separation is obtained, whichever is
133 earlier, except that the plan shall provide the option for said spouse to
134 continue coverage for the periods set forth for such events under
135 federal extension requirements established by the Consolidated
136 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended
137 from time to time, (COBRA); and (C) as to the employee or dependent
138 who is sixty-five years of age or older, as of midnight of the day
139 preceding such person's eligibility for benefits under Title XVIII of the
140 federal Social Security Act; (6) as to any other event listed as a
141 "qualifying event" in 29 USC 1163, as amended from time to time,
142 continuation of coverage for such periods set forth for such event in 29
143 USC 1162, as amended from time to time, provided such plan may
144 require the individual whose coverage is to be continued to pay up to
145 the percentage of the applicable premium as specified for such event in
146 29 USC 1162, as amended from time to time. Any continuation of
147 coverage required by this section except subdivision (4) or (6) of this
148 subsection may be subject to the requirement, on the part of the
149 individual whose coverage is to be continued, that such individual
150 contribute that portion of the premium the individual would have
151 been required to contribute had the employee remained an active
152 covered employee, except that the individual may be required to pay

153 up to one hundred two per cent of the entire premium at the group
154 rate if coverage is continued in accordance with subdivision (1), (2) or
155 (5) of this subsection. The employer shall not be legally obligated by
156 sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive, as
157 amended, to pay such premium if not paid timely by the employee.

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

161 (d) The plan shall make available to Connecticut residents, in
162 addition to any other conversion privilege available, a conversion
163 privilege under which coverage shall be available immediately upon
164 termination of coverage under the group plan. The terms and benefits
165 offered under the conversion benefits shall be at least equal to the
166 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>July 1, 2006</i>	New section
Sec. 2	<i>October 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>October 1, 2006</i>	38a-497
Sec. 5	<i>October 1, 2006</i>	38a-554

INS *Joint Favorable Subst.*