



# Senate

General Assembly

**File No. 369**

*January Session, 2011*

Senate Bill No. 1048

*Senate, April 5, 2011*

The Committee on Public Health reported through SEN. GERRATANA of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## ***AN ACT CONCERNING DENTAL AND HEALTH CARE REFORM.***

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

1 Section 1. (NEW) (*Effective January 1, 2012*) Each individual health  
2 insurance policy providing coverage of the type specified in  
3 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the  
4 general statutes delivered, issued for delivery, amended, renewed or  
5 continued in this state that includes coverage for dental care services  
6 shall provide that coverage of a child for dental care services shall  
7 terminate not earlier than the policy anniversary date on or after the  
8 date on which the child attains the age of twenty-six. Each such policy  
9 shall cover a stepchild on the same basis as a biological child.

10 Sec. 2. (NEW) (*Effective January 1, 2012*) Each group health insurance  
11 policy providing coverage of the type specified in subdivisions (1), (2),  
12 (4), (11), (12) and (16) of section 38a-469 of the general statutes  
13 delivered, issued for delivery, amended, renewed or continued in this  
14 state that includes coverage for dental care services shall provide that  
15 coverage of a child for dental care services shall terminate not earlier

16 than the policy anniversary date on or after the date on which the child  
17 attains the age of twenty-six. Each such policy shall cover a stepchild  
18 on the same basis as a biological child.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2012</i>	New section
Sec. 2	<i>January 1, 2012</i>	New section

**PH**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Comptroller Misc. Accounts (Fringe Benefits)	GF & TF - Cost	None	\$477,212 - \$835,121

Note: GF=General Fund and TF = Transportation Fund

**Municipal Impact:**

Municipalities	Effect	FY 12 \$	FY 13 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

**Explanation**

The bill will result in an increased cost to the state which could range from approximately \$477,212 to \$835,121 annually, depending on the number of participants<sup>1</sup>. The costs would not start to accrue to the state until FY 13 when the state enters into a new contract. The state dental plan currently provides coverage for qualified dependents up to age 19. Unlike the state employee health plan, the state dental plan is fully insured and therefore would be required to adopt the mandate as specified in the bill.

The bill's dental coverage requirements will increase costs to certain municipalities with fully insured, free-standing, dental policies<sup>2</sup>. The

<sup>1</sup> The estimated increased cost assumes an increase of \$689.28 a year to the state's dental plan premium share for plan members who shift between coverage groups. The costs assume a 45% shift in coverage from either individual to 2 or individual to a family plan.

<sup>2</sup> Under Connecticut law if dental insurance is combined in the same policy as health insurance or as a rider to the health policy qualified dependents are currently covered up to age 26. If the dental policy is a free-standing policy, then the policy is not subject to the continuation requirements.

coverage requirements may result in increased premium costs when municipalities enter into new health and dental insurance contracts after January 1, 2012. Due to federal law, municipalities with self-insured plans are exempt from state health insurance benefit mandates.

The state employee health plan and many municipal health plans are recognized as “grandfathered” health plans under the Patient Protection and Affordable Care Act (PPACA)<sup>3</sup>. It is unclear what effect the adoption of certain mandates will have on the grandfathered status of the state employee health plan or grandfathered municipal plans PPACA<sup>4</sup>.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

The federal health care reform act requires that, effective January 1, 2014, all states must establish a health benefit exchange, which will offer qualified plans, including dental plans that must include a federally defined essential benefits package. While states are allowed to mandate benefits in excess of the basic package, the federal law appears to require the state to pay the cost of any such additional mandated benefits. The extent of these costs will depend on the mandates included in the federal essential benefit package, which have

---

<sup>3</sup> Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010. Pursuant to the PPACA, all health plans, including those with grandfathered status are required to provide the following as of September 23, 2010: 1) No lifetime limits on coverage, 2) No rescissions of coverage when individual gets sick or has previously made an unintentional error on an application, and 3) Extension of parents’ coverage to young adults until age 26. ([www.healthcare.gov](http://www.healthcare.gov))

<sup>4</sup> According to the PPACA, compared to the plans’ policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. ([www.healthcare.gov](http://www.healthcare.gov))

not yet been determined. However, neither the agency nor mechanism for the state to pay these costs has been established.

**OLR Bill Analysis****SB 1048*****AN ACT CONCERNING DENTAL AND HEALTH CARE REFORM.*****SUMMARY:**

This bill requires a child's dental care benefits under certain individual or group health insurance policies to continue at least until the policy anniversary date on or after the date the child turns age 26. (Current law does not specify an age although in practice, most plans terminate dental coverage at age 19.) It requires these policies to cover stepchildren on the same basis as biological children.

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; (4) hospital or medical services, including coverage under an HMO plan; and (5) single-service ancillary health coverage plans, including dental, vision, and prescription drug plans.

Due to the federal Employee Retirement Income Security Act, state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: January 1, 2012

**BACKGROUND*****Related Bill***

SB 879 (File 45), favorably reported by the Insurance and Real Estate committee, contains the same provision extending a child's dental care benefits under individual and group health insurance policies until the child turns age 26.

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable

Yea 18 Nay 10 (03/21/2011)