



# Senate

General Assembly

**File No. 323**

January Session, 2021

Senate Bill No. 1004

*Senate, April 7, 2021*

The Committee on Insurance and Real Estate reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING DENTAL AND VISION INSURANCE  
COVERAGE FOR CHILDREN, STEPCHILDREN AND OTHER  
DEPENDENT CHILDREN.***

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

1 Section 1. Section 38a-497 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2022*):

3 (a) Each individual health insurance policy providing coverage of the  
4 type specified in subdivisions (1), (2), (4), (6), (10), (11) and (12) of section  
5 38a-469 delivered, issued for delivery, amended, renewed or continued  
6 in this state shall provide that coverage of a child, stepchild or other  
7 dependent child shall terminate [no] not earlier than the policy  
8 anniversary date on or after whichever of the following occurs first, the  
9 date on which the child, stepchild or other dependent child: (1) Becomes  
10 covered under a group health plan through the [dependent's] child's,  
11 stepchild's or other dependent child's own employment; or (2) attains  
12 the age of twenty-six.

13     (b) Each individual health insurance policy described in subsection  
14 (a) of this section, and each individual health insurance policy providing  
15 coverage of the type specified in subdivision (16) of section 38a-469  
16 delivered, issued for delivery, amended, renewed or continued in this  
17 state, that includes or provides dental or vision coverage shall provide  
18 that dental or vision coverage of a child, stepchild or other dependent  
19 child shall terminate not earlier than the policy anniversary date on or  
20 after whichever of the following occurs first, the date on which the child,  
21 stepchild or other dependent child: (1) Becomes covered under a group  
22 health plan through the child's, stepchild's or other dependent child's  
23 own employment; or (2) attains the age of twenty-six.

24     (c) Each [such] policy subject to this section shall cover a stepchild or  
25 other dependent child on the same basis as a biological child.

26     Sec. 2. Section 38a-512b of the general statutes is repealed and the  
27 following is substituted in lieu thereof (*Effective January 1, 2022*):

28     (a) Each group health insurance policy providing coverage of the type  
29 specified in subdivisions (1), (2), (4), (6), (10), (11) and (12) of section 38a-  
30 469 delivered, issued for delivery, amended, renewed or continued in  
31 this state shall provide that coverage of a child, stepchild or other  
32 dependent child shall terminate [no] not earlier than the policy  
33 anniversary date on or after whichever of the following occurs first, the  
34 date on which the child, stepchild or other dependent child: (1) Becomes  
35 covered under a group health plan through the [dependent's] child's,  
36 stepchild's or other dependent child's own employment; or (2) attains  
37 the age of twenty-six.

38     (b) Each group health insurance policy described in subsection (a) of  
39 this section, and each group health insurance policy providing coverage  
40 of the type specified in subdivision (16) of section 38a-469 delivered,  
41 issued for delivery, amended, renewed or continued in this state, that  
42 includes or provides dental or vision coverage shall provide that dental  
43 or vision coverage of a child, stepchild or other dependent child shall  
44 terminate not earlier than the policy anniversary date on or after  
45 whichever of the following occurs first, the date on which the child,

46 stepchild or other dependent child: (1) Becomes covered under a group  
47 health plan through the child's, stepchild's or other dependent child's  
48 own employment; or (2) attains the age of twenty-six.

49 (c) Each [such] policy subject to this section shall cover a stepchild or  
50 other dependent child 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, 2022</i>	38a-497
Sec. 2	<i>January 1, 2022</i>	38a-512b

**INS**      *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 22 \$	FY 23 \$
State Comptroller - Fringe Benefits	GF - Cost	None	See Below
ACA - State Mandate	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	See Below	See Below

**Explanation**

The bill will result in a cost starting in FY 23 from requiring both the state employee and retiree dental and health plans to maintain dental and vision coverage for dependents until the earlier of a dependent gaining coverage through their own employment or the age of 26; coverage is currently until age 19. The state dental plan is fully insured with new rates effective each July 1<sup>st</sup>. Therefore there is no impact to the state plan in FY 22. The bill will increase dental premiums for fully insured municipalities and will be realized in premiums when they enter into a new policy after January 1, 2022.

In addition, many municipal health plans are recognized as

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

“grandfathered” health plans under the Affordable Care Act (ACA).<sup>2</sup> It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under ACA. Pursuant to federal law, municipalities with self-insured plans are exempt from state insurance mandates.

Lastly, the bill may result in a cost to the state pursuant to the ACA, to the extent the provisions of the bill are interpreted to require the expansion of the pediatric dental and vision benefits provided to comply with the essential health benefit (EHB) requirement.<sup>3</sup> While states are allowed to mandate benefits in excess of the EHB, federal law requires the state to defray the cost of any such additional mandated benefits for all plans sold in the Exchange, by reimbursing the carrier or the insured for the excess coverage. Absent further federal guidance, state mandated benefits enacted after December 31, 2011 cannot be considered part of the EHB unless they are already part of the benchmark plan.<sup>4</sup>

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

The fiscal impact described above will continue into the future and be reflected in future dental premiums. In addition, the potential cost to the state pursuant to the ACA will depend on the cost to provide the benefit to Exchange plan members, as reflected in premiums.

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<sup>2</sup> Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

<sup>3</sup> There are approximately 9,000 Exchange plan members between the ages of 19-26. (Source: *Access Health CT*)

<sup>4</sup> The ACA provision does not apply to stand alone dental policies or those policies provided as a rider to the health policy.

**OLR Bill Analysis****SB 1004*****AN ACT CONCERNING DENTAL AND VISION INSURANCE COVERAGE FOR CHILDREN, STEPCHILDREN AND OTHER DEPENDENT CHILDREN.*****SUMMARY**

This bill requires certain insurance policies that provide dental or vision coverage to continue coverage for a child, stepchild, or other dependent child until the policy anniversary date on or after the date the child (1) turns age 26 or (2) obtains coverage through his or her own employment, whichever occurs earlier.

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) accidents only; (5) limited benefits; (6) hospital or medical services, including those provided under an HMO plan; or (7) single service ancillary coverage, including dental or vision coverage. Because of the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

The bill also makes technical changes.

EFFECTIVE DATE: January 1, 2022

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

SB 1045 (§§ 1 & 2), favorably reported by the Insurance and Real Estate Committee, makes the same technical changes as this bill.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 18 Nay 0 (03/22/2021)