

Regular Session, 2012

HOUSE BILL NO. 1196 (Substitute for House Bill No. 868 by Representative Pearson)

BY REPRESENTATIVE PEARSON

INSURANCE/HEALTH: Provides relative to continuation of coverage for spouses and dependents

1 AN ACT

2 To amend and reenact R.S. 22:1046(F) and (G)(3) and (4), to enact R.S. 22:1045.1, and to
3 repeal R.S. 22:1046(E), relative to group health, dental, and vision plans; to provide
4 for continuation of group health, dental, and vision plans, and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1046(F) and (G)(3) and (G)(4) are hereby amended and reenacted
8 and R.S. 22:1045.1 is hereby enacted to read as follows:

9 §1045.1. Group health, dental, and vision insurance; continuation of coverage in the
10 event of a COBRA qualifying event

11 A. State continuation rights for employer-sponsored group health, dental,
12 and vision plans that are not subject to COBRA continuation provisions and are not
13 subject to applicability of the provisions of this Section shall provide for the same
14 rights as if such plan were eligible for COBRA continuation provisions.

15 B. For the purposes of this Section, the following exceptions shall apply:

16 (1) Continuation of coverage shall have a duration of no longer than twelve
17 months from the commencement of continuation.

18 (2) Notification of rights to continue coverage shall be contained in the
19 certificate of coverage or the summary plan description. The employer shall not be
20 required to provide additional notification.

21 (3) In order to be eligible for continuation of coverage, the insured shall
22 make a written election, on a form provided by the insurer, and pay the first month's
23 premium prior to the month following the month in which coverage ends.

1 §1046. Group health insurance continuation

2 * * *

3 F. An employee or member electing continuation shall pay to the group
4 policyholder or his employer, ~~in advance,~~ the amount of contribution required by the
5 policyholder or employer, but not more than the full group rate for the insurance
6 applicable to the employee or member under the group policy on the due date of each
7 payment. The employee or member shall not be required to pay the amount of the
8 contribution less often than monthly. In order to be eligible for continuation of
9 coverage, the employee or member shall make a written election of continuation, on
10 a form provided by the group policyholder, and pay the first contribution, ~~in advance,~~
11 to the policyholder or employer on or before the date on which the employee's or
12 member's insurance would otherwise terminate. Such form shall be as prescribed in
13 this Section.

14 G. Continuation of insurance under the group policy for any person shall
15 terminate on the earliest of the following dates:

16 * * *

17 (3) The date the employee or member becomes or is eligible to become
18 covered for similar benefits under any arrangement of coverage for individuals in a
19 group, whether insured or ~~uninsured~~ self-insured.

20 (4) The date on which the group policy is terminated or, in the case of a
21 multiple employer plan, the date his employer terminates participation under the
22 group master policy. ~~When this occurs the employee or member shall have a
23 conversion privilege if the date of termination precedes that on which his actual
24 continuation of insurance under that policy would have terminated. The insurer that
25 insured the group prior to the date of termination shall make a converted policy
26 available to the employee or member.~~

27 * * *

28 Section 2. R.S. 22:1046(E) is hereby repealed in its entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Pearson

HB No. 1196

Abstract: Provides for the continuation of group health, dental, and vision plans that are not covered by COBRA continuation provisions.

Present law provides the option of continuation of group health, blanket, and association services for surviving spouses age 50 or older in the event of death of the spouse who is the primary policyholder. Further provides that the spouse will be able to continue coverage by paying a premium price which shall be no more than it was during the life of the decedent spouse who was the employee-member and that coverage shall continue unless and until the surviving spouse no longer makes timely payments, becomes eligible for Medicare, becomes eligible for another health plan, or remarries.

Proposed law retains present law.

Proposed law further provides for the same continuation of coverage in state group health plans under the same provisions as if the Consolidated Omnibus Budget Reconciliation Act (COBRA) were to apply.

Proposed law provides that continuation of coverage shall be limited to a 12-month period. Further provides that the insurer shall include a notification that the insured has the right to elect to continue coverage in the certification of coverage or the summary plan description; the insurer shall not be required to make another notification.

Proposed law requires an insured who wishes to continue coverage to elect continuation on a form provided by the insurer and to pay the first month's premium prior to the month following the month in which coverage ends.

(Amends R.S. 22:1046(F) and (G)(3) and (4); Adds R.S. 22:1045.1; Repeals R.S. 22:1046(E))