

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(B), (C), (F), and (G)(3) and (4) and to repeal R.S.
3 22:1046(E), relative to group health plans; to provide for continuation of group
4 health plans; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1046(B), (C), (F), and (G)(3) and (4) are hereby amended and
7 reenacted to read as follows:

8 §1046. Group health insurance continuation

9 * * *

10 B. A group policy delivered or issued for delivery in this state which insures
11 employees or members, and their eligible dependents, if they have elected to include
12 them, for hospital, surgical or major medical insurance on an expense incurred or
13 service basis, other than for specific diseases or for accidental injuries only, shall
14 provide that employees or members whose insurance for these types of coverage
15 under the group policy would otherwise terminate because of termination of active
16 employment or membership, ~~or termination of membership in the eligible class or~~
17 ~~classes under the policy~~ death or divorce of the employee or member shall be entitled
18 to continue their hospital, surgical, and medical insurance under that group policy,
19 for themselves ~~and~~ or their eligible dependents ~~with respect to whom they~~ who were
20 insured on the date of termination, subject to all of the group policy's terms and
21 conditions applicable to those forms of insurance and to the conditions specified in
22 this Section. The terms and conditions set forth in this Section are intended as
23 minimum requirements and shall not be construed to impose additional or different

1 requirements upon those group hospital, surgical, or major medical plans already in
2 force, or hereafter placed into effect, that provide continuation benefits equal to or
3 better than those required in this Section.

4 C. Continuation shall only be available ~~to an~~ under this Section if the
5 employee or member ~~who~~ has been continuously insured under the group policy, or
6 for similar benefits under any other group policy that it replaced, during the period
7 of three consecutive months immediately prior to the date of termination. ~~The~~
8 ~~continued policy must cover all dependents covered under the group policy.~~

9 * * *

10 F. An employee or member electing continuation shall pay to the group
11 policyholder or his employer, in advance, the amount of contribution required by the
12 policyholder or employer, but not more than the full group rate for the insurance
13 applicable to the employee or member under the group policy on the due date of each
14 payment. The employee or member shall not be required to pay the amount of the
15 contribution less often than monthly. In order to be eligible for continuation of
16 coverage, the employee or member shall make a written election of continuation, on
17 a form provided by the group policyholder, and pay the first contribution, in advance,
18 to the policyholder or employer ~~on or before the date on which the employee's or~~
19 ~~member's insurance would otherwise terminate.~~ no later than the end of the month
20 following the month in which the event that made the employer or member eligible
21 for coverage under this Section occurs. Such form shall be as prescribed in this
22 Section. If the dependent is eligible due to divorce, the event shall be deemed to have
23 occurred on the date of the judgment of divorce.

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

26 * * *

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

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

8 * * *

9 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 plans.

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 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 in advance of the end of the month following the month in which the event that made employee or member eligible for coverage.

Proposed law provides that if the dependent is eligible due to divorce, the event shall be deemed to have occurred on the date of the judgement of divorce.

(Amends R.S. 22:1046(B), (C), (F), and (G)(3) and (4); Repeals R.S. 22:1046(E))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Removed provisions that would have made proposed law applicable to vision and dental plans.
2. Restored provision in present law that requires an employee or member electing continuation, upon their election to continue coverage, to pay their first

contribution in advance of the date on which that employee's or member's insurance would otherwise terminate.

3. Relative to continuation of coverage, changed the date by which the first contribution must be made from on or before the date on which the employee's or member's insurance would otherwise terminate to no later than the end of the month following the month in which the event that made employee or member eligible for coverage.
4. Clarified that when the dependent is eligible for continuation due to divorce, the qualifying event shall be deemed to have occurred on the date of the judgment of divorce.
5. Removed provisions of proposed law that would mirror the Consolidated Omnibus Budget Reconciliation Act. Further removed exceptions to proposed law.