
DIGEST

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McVea

HB No. 462

Abstract: Exempts excepted benefits and benefits of short-term medical policies from the maximum age requirement of 26 for health insurance coverage of dependent children and grandchildren under various types of policies and contracts. Also provides relative to exceptions from the prohibition against increasing premiums for addition of such a dependent child or grandchild on the basis of certain rating systems.

Present law sets the maximum age for health insurance coverage of dependent children and grandchildren for policies and contracts that provide for such dependent coverage at age 26, including but not limited to group, family group, blanket, association, or similar coverage issued by a health maintenance organization. Only exempts the Office of Group Benefits.

Present law defines excepted benefits as:

- (1) The following benefits if offered separately:
 - (a) Limited scope dental or vision benefits.
 - (b) Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of these benefits.
 - (c) Such other similar, limited benefits as specified in reasonable regulations issued by the commissioner of insurance.
- (2) The following benefits if offered as independent, non-coordinated benefits:
 - (a) Coverage only for a specified disease or illness.
 - (b) Hospital indemnity or other fixed indemnity insurance.
 - (c) Benefits not subject to requirements if offered as a separate insurance policy.
 - (d) Medicare supplemental health insurance as defined under the federal Social Security Act.
 - (e) Insurance coverage supplemental to military health benefits.

- (f) Similar supplemental coverage provided under a group health plan.

Proposed law provides that present law for dependent health insurance coverage does not apply to excepted benefits and to benefits of short-term medical policies. Instead provides for applicability of the following age requirements and conditions for such benefits:

- (1) To an unmarried dependent child or grandchild but who is not a full-time student until the age of 21.
- (2) To an unmarried dependent child or grandchild who is enrolled as a full-time student until the age of 24. Specifies that such enrollment may be at an accredited college or university or at a vocational, technical, vocational-technical, or trade school or institute.
- (3) To an unmarried dependent child or grandchild who is a full-time student and who develops a mental or nervous condition, problem, or disorder which renders the child or grandchild, in the opinion of a qualified psychiatrist, subject to a second opinion if deemed necessary by the health insurance issuer or health maintenance organization, unable to attend school as a full-time student and from holding self-sustaining employment, until the age of 24.
- (4) To an unmarried dependent child or grandchild who is incapable of self-sustaining employment by reason of mental retardation or physical handicap, who became so incapable prior to the age of 21, optional continuous coverage, regardless of age.

Present law requires that a dependent grandchild shall be in the legal custody of and residing with the grandparent to qualify for dependent health insurance coverage.

Proposed law retains this requirement.

Present law prohibits a premium increase on the basis of the addition of a dependent child or grandchild unless there are no dependent children covered under the policy or similar coverage prior to the addition of such child or grandchild.

Proposed law additionally exempts from such prohibition when the health insurance issuer or health maintenance organization utilizes a consistent and uniform premium rating system that, in compliance with federal and state law, sets rates according to the specific risk represented by such dependent.

Proposed law exempts excepted benefits and benefits of short-term medical policies from other requirements for dependent coverage, including portability and a special enrollment period.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1000(A)(1)(a)(vi) and (2), 1003(A) and (C), and 1003.1(A)(1) and (C))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Added benefits of short-term medical policies to those benefits exempted from present law providing for the maximum age requirement of 26 for health insurance coverage of dependent children and grandchildren.