

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 462 by Representative McVea

INSURANCE/HEALTH: Provides relative to coverage of dependents

| Synopsis of Senate Amendments | |
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| 1. | Exempts "short-term, limited duration insurance as defined pursuant to 45 CFR 144.103" as opposed to "short-term medical policies" from <u>present law</u> raising the age for health insurance coverage of dependents. |
| 2. | Specifies that such short-term, limited duration insurance are <u>only</u> exempted from those provisions of <u>present law</u> relative to health insurance coverage of dependents in reference to age requirements. |
| 3. | Deletes prohibition in <u>present law</u> against increasing premiums 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 a child or grandchild. |
| 4. | Includes credit or debit cards as forms of payment for Medicare supplement policy premiums. |

Digest of Bill as Finally Passed by Senate

McVea

HB No. 462

Present law sets the maximum age for health insurance coverage of dependent children and grandchildren for policies and contracts that provide for a 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) The 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 limited duration insurance as defined pursuant to 45 CFR 144.103. This federal regulation defines such insurance as health insurance coverage provided pursuant to a contract with an issuer that has an expiration date specified in the contract (taking into account any extensions that may be elected by the policyholder without the issuer's consent) that is less than 12 months after the original effective date of the contract. Instead provides for applicability of the following age requirements and conditions for these 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 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 be in the legal custody of and residing with the grandparent to qualify for dependent health insurance coverage.

Proposed law additionally requires that a dependent grandchild be in the tutorship of and residing with the grandparent to qualify for dependent health insurance coverage.

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 a child or grandchild.

Proposed law deletes present law.

Present law provides relative to portability, enrollment periods, limitations on premiums, and other requirements for dependent coverage up to the age of 26.

Proposed law specifies that excepted benefits and benefits of short-term limited duration insurance as defined pursuant to 45 CFR 144.103 are exempted only from those requirements of present law for dependent coverage relative to age requirements.

Present law requires payment of premiums for Medicare supplement policies to be made by check, money order, bank draft or cash.

Proposed law retains present law and includes credit or debit card as an acceptable form of payment of premiums for Medicare supplement policies.

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), 1003.1(A)(1) and (C), and 1111 (K))