

Regular Session, 2011

HOUSE BILL NO. 462

BY REPRESENTATIVE MCVEA

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AN ACT

To amend and reenact R.S. 22:1000(A)(1)(a)(vi) and (2), 1003(A) and (C), 1003.1(A)(1) and (C), and 1111(K), relative to health insurance; to provide with respect to coverage of dependent children and grandchildren; to provide relative to conditions for such coverage for certain benefits; to provide with respect to rating of such dependents; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1000(A)(1)(a)(vi) and (2), 1003(A) and (C), and 1003.1(A)(1) and (C) are hereby amended and reenacted to read as follows:

§1000. Group, family group, blanket, and association health and accident insurance

A.

* * *

(1) Group health and accident insurance is any policy of health and accident insurance, or similar coverage issued by a health maintenance organization, covering more than one person, except family group, and blanket policies hereinafter specifically provided for, which shall conform to the following requirements:

(a)

* * *

1 (vi)~~(aa)~~ The policy may be issued to an employer, association, a trust for
2 multiple associations, or to the trustees of a fund established by two or more
3 employers in the same industry or by one or more labor unions, by one or more
4 employers, and one or more labor unions or by an association, or multiple
5 associations, or to a multiple employer trust or multiple association trust established
6 by an insurer on behalf of participating employers or participating associations, in
7 the multiple associations, provided all participating employers and employees or
8 members, or employees of members of one of the multiple participating associations
9 have the same statutory protections that would apply if such policy was purchased
10 by the employer, association, or multiple associations directly from the insurer,
11 which trustees shall be deemed the policyholder, to insure with or without any
12 eligible family members including spouse, children until the age of twenty-six, and
13 grandchildren who are in the legal custody of and residing with the grandparent until
14 the age of twenty-six pursuant to R.S. 22:1003 and 1003.1, employees of the
15 employers, members of the association or employees of members of a multiple
16 association, or of the unions for the benefit of persons other than the employers or
17 the unions.

18 (bb) Notwithstanding any other provision of law to the contrary, coverage
19 of dependent children or grandchildren for excepted benefits and for benefits of
20 short-term, limited duration insurance as defined pursuant to 45 CFR 144.103 shall
21 be controlled by this Subitem with regard to requirements for age. For excepted
22 benefits, as defined in R.S. 22:1061(3)(b) and (c) and for benefits of short-term,
23 limited duration insurance as defined pursuant to 45 CFR 144.103, the following
24 requirements for coverage of dependent children or grandchildren shall apply:

25 (I) To an unmarried dependent child or grandchild but who is not a full-time
26 student until the age of twenty-one. A dependent grandchild shall be in the legal
27 custody of and residing with the grandparent.

(II) To an unmarried dependent child or grandchild who is enrolled as a full-time student until the age of twenty-four. This enrollment may be at an accredited college or university or at a vocational, technical, vocational-technical, or trade school or institute. A dependent grandchild shall be in the legal custody of and residing with the grandparent.

(III) 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 twenty-four. A dependent grandchild shall be in the legal custody of and residing with the grandparent.

(IV) To an unmarried dependent child or grandchild who is incapable of self-sustaining employment by reason of mental retardation or physical handicap, who became incapable prior to attainment of the age of twenty-one, there may be continuous coverage for excepted benefits regardless of age. A dependent grandchild shall be in the legal custody of and residing with the grandparent.

* * *

(2)(a) Family group health and accident insurance or similar coverage issued by a health maintenance organization is an individual policy covering any one person, with or without any eligible members, including spouse and children until the age of twenty-six, and grandchildren until the age of twenty-six who are in the legal custody of and residing with the grandparent pursuant to R.S. 22:1003 and 1003.1, except that the policy may provide for continuing coverage for any child or grandchild in the legal custody of and residing with the grandparent who is incapable of self-sustaining employment by reason of mental retardation or physical handicap, who became so incapable prior to attainment of age twenty-six, and any other person dependent upon the policyholder, written under a master policy issued to the head

1 of such family. The policy shall contain a provision that the policy, and the
2 application of the head of the family if attached to the policy, shall constitute the
3 entire contract between the parties.

4 (b) Notwithstanding any other provision of law to the contrary, coverage of
5 dependent children or grandchildren for excepted benefits and for benefits of short-
6 term, limited duration insurance as defined pursuant to 45 CFR 144.103 shall be
7 controlled by this Subparagraph with regard to requirements for age. For excepted
8 benefits, as defined in R.S. 22:1061(3)(b) and (c) and for benefits of short-term,
9 limited duration insurance as defined pursuant to 45 CFR 144.103, the following
10 requirements for coverage of dependent children or grandchildren shall apply:

11 (i) To an unmarried dependent child or grandchild who is not a full-time
12 student until the age of twenty-one. A dependent grandchild shall be in the legal
13 custody of and residing with the grandparent.

14 (ii) To an unmarried dependent child or grandchild who is enrolled as a full-
15 time student until the age of twenty-four. This enrollment may be at an accredited
16 college or university or at a vocational, technical, vocational-technical, or trade
17 school or institute. A dependent grandchild shall be in the legal custody of and
18 residing with the grandparent.

19 (iii) To an unmarried dependent child or grandchild who is a full-time
20 student and who develops a mental or nervous condition, problem, or disorder which
21 renders the child or grandchild, in the opinion of a qualified psychiatrist, subject to
22 a second opinion if deemed necessary by the health insurance issuer or health
23 maintenance organization, unable to attend school as a full-time student and from
24 holding self-sustaining employment, until the age of twenty-four. A dependent
25 grandchild shall be in the legal custody of and residing with the grandparent.

26 (iv) To an unmarried dependent child or grandchild who is incapable of self-
27 sustaining employment by reason of mental retardation or physical handicap, who
28 became so incapable prior to attainment of the age of twenty-one, there may be

continuous coverage for excepted benefits regardless of age. A dependent grandchild shall be in the legal custody of and residing with the grandparent.

* * *

§1003. Coverage of children for group and individual health and accident insurance;
exception

A.(1) Children, including a grandchild in the legal custody of and residing with a grandparent, until the age of twenty-six shall be considered as dependents of the primary insured or enrollee under the provisions of any family group health and accident insurance policy, group health and accident insurance policy, or similar coverage issued by a health maintenance organization in this state.

(2) Notwithstanding any other provision of law to the contrary, coverage of dependent children or grandchildren for excepted benefits and for benefits of short-term, limited duration insurance as defined pursuant to 45 CFR 144.103 shall be controlled by this Subparagraph with regard to requirements for age. For excepted benefits, as defined in R.S. 22:1061(3)(b) and (c) and for benefits of short-term, limited duration insurance as defined pursuant to 45 CFR 144.103, the following requirements for coverage of dependent children or grandchildren shall apply:

(a) To an unmarried dependent child or grandchild who is not a full-time student until the age of twenty-one. A dependent grandchild shall be in the legal custody of and residing with the grandparent.

(b) To an unmarried dependent child or grandchild who is enrolled as a full-time student until the age of twenty-four. This enrollment may be at an accredited college or university or at a vocational, technical, vocational-technical, or trade school or institute. A dependent grandchild shall be in the legal custody of and residing with the grandparent.

(c) 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 insurer or health maintenance organization,

1 unable to attend school as a full-time student and from holding self-sustaining
2 employment, until the age of twenty-four. A dependent grandchild shall be in the
3 legal custody of and residing with the grandparent.

4 (d) To an unmarried dependent child or grandchild who is incapable of self-
5 sustaining employment by reason of mental retardation or physical handicap, who
6 became incapable prior to attainment of the age of twenty-one, there may be
7 continuous coverage for excepted benefits regardless of age. A dependent
8 grandchild shall be in the legal custody of and residing with the grandparent.

9 * * *

10 C. The provisions of this Section shall apply to all policies issued or renewed
11 or issued for delivery in this state after September 23, 2010, except that these
12 provisions, in reference to age requirements, shall not apply to excepted benefits as
13 defined in R.S. 22:1061(3)(b) and (c) and to benefits of short-term, limited duration
14 insurance as defined pursuant to 45 CFR 144.103.

15 §1003.1. Children; ~~premiums~~; portability; enrollment; exception

16 A. In reference to R.S. 22:1003, the following shall apply:

17 (1) ~~The premium for coverage under any family group health and accident~~
18 ~~insurance policy, group health and accident insurance policy, or similar coverage~~
19 ~~issued by a health maintenance organization in this state shall not increase on the~~
20 ~~basis of the addition of a child or grandchild under the age of twenty-six unless there~~
21 ~~are no dependent children covered under the policy prior to the addition of such child~~
22 ~~or grandchild.~~ The health insurance issuer or health maintenance organization shall
23 apply portability rights in reference to preexisting conditions to the newly added
24 child or grandchild as described in R.S. 22:1062(A) and (B). The preexisting
25 condition waiting period applicable to such child or grandchild shall be applied to
26 the child or grandchild in the same manner as any other dependent.

27 * * *

28 C. The provisions of this Section shall apply to all policies or subscriber
29 agreements issued or renewed or issued for delivery in this state after September 23,
30 2010; except that these provisions, in reference to age requirements, shall not apply

to excepted benefits as defined in R.S. 22:1061(3)(b) and (c) and to benefits of short-term, limited duration insurance as defined pursuant to 45 CFR 144.103.

Section 2. R.S. 22:1111(K) is hereby amended and reenacted to read as follows:

§1111. Medicare supplement minimum standards

* * *

K. Payment for premiums for Medicare supplement policies shall be made only as follows:

(1) By check, money order, credit or debit card, or bank draft made payable to the insurer.

(2) By cash, provided that an insurer's receipt which binds the insurer for receipt of such premium shall be issued to the insured.

* * *

Section 3 . This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____