

Regular Session, 2011
HOUSE BILL NO. 462
BY REPRESENTATIVE MCVEA

ACT No. 360

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

1 AN ACT

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

7 Be it enacted by the Legislature of Louisiana:

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

10 §1000. Group, family group, blanket, and association health and accident insurance

11 A.

12 * * *

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

17 (a)

18 * * *

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.**

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

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

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

18 * * *

19 (2)(a) Family group health and accident insurance or similar coverage issued
 20 by a health maintenance organization is an individual policy covering any one
 21 person, with or without any eligible members, including spouse and children until
 22 the age of twenty-six, and grandchildren until the age of twenty-six who are in the
 23 legal custody of and residing with the grandparent pursuant to R.S. 22:1003 and
 24 1003.1, except that the policy may provide for continuing coverage for any child or
 25 grandchild in the legal custody of and residing with the grandparent who is incapable
 26 of self-sustaining employment by reason of mental retardation or physical handicap,
 27 who became so incapable prior to attainment of age twenty-six, and any other person
 28 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

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

3 * * *

4 §1003. Coverage of children for group and individual health and accident insurance;
5 exception

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

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

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

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

26 (c) To an unmarried dependent child or grandchild who is a full-time student
27 and who develops a mental or nervous condition, problem, or disorder which renders
28 the child or grandchild, in the opinion of a qualified psychiatrist, subject to a second
29 opinion if deemed necessary by the insurer or health maintenance organization,

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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

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

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

4 §1111. Medicare supplement minimum standards

5 * * *

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

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

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

12 * * *

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____